

**STAKEHOLDER INVOLVEMENT IN THE REALIZATION OF
STRATEGIC OBJECTIVES AT TULLOW OIL, KENYA**

BY

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DECLARATION

This Research Project is my original work and has not been submitted for examination in any other University.

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This Research Project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

To my uncle Mr. John Karumet Lomunan who saw the potential in me during my tender age, took me to school and labored to pay for my fees. Indeed, you gave me the foundation of life and helped me to appreciate the value of education. I pray that may the Almighty God grant you full life.

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ABSTRACT

This study sought to determine stakeholder involvement in the realization of strategic objectives at Tullow oil, Kenya. It was guided by two main objectives namely: To establish stakeholder involvement in the strategic process of Tullow Oil Company and to establish stakeholder involvement in the realization of strategic objectives at Tullow Oil, Kenya. The research design was a case study which made use of primary data that was collected through face to face interview with the researcher. The interview guide consisted of questions that the interviewer asked the respondents whose target was six (6) in number and were mainly drawn from the top and middle level management of the company. The study found out that proper stakeholder involvement led to increased efficiency and reduction of costs in their operations, as a result of greater cooperation and or reduced stakeholder conflicts. This was realized through an integrated stakeholder involvement which was a key initiative towards achieving the organization's strategic objective. The study further revealed that success is easily achieved when a firm cultivates better stakeholder involvement practices which lead to increased outputs, greater cooperation and coordination with the local community which significantly led to successful strategy implementation process and thus achievement of the organizational goals. Tullow Oil, Kenya should be keen on developing a strong stakeholder engagement framework and come up with structured mechanisms to actualize it. On the other hand, the Kenyan government should invest on security through, securing the borders, providing proper training to the military and the police force, increasing intelligence and other security agencies. The boundaries between various communities also need to be clearly demarcated as this has always been a source of conflicts especially when the area has been discovered as having immense and valuable mineral potential. In addition, the government needs to find a lasting solution to cattle rustling which is prone in the North Rift area pitting the Pokot, Turkana and other communities as this has had adverse effects on the livelihoods of these communities and such continued conflicts may scare away potential investors in the area who would have otherwise helped to enhance growth and development of the economy. Foreigners need to be confident while investing in a foreign country and the government should take all the necessary measures to ensure that foreigners feel safe when engaging in business deals and partnership. It is important for future researchers and academicians to conduct a research in an international Oil exploration and drilling Company similar to Plc Tullow in terms of size and areas of intervention in order to establish stakeholder involvement in the strategic processes of the Company and to establish stakeholder involvement in realization of strategic objectives of the Company. The findings can then be compared to assess if there are any commonalities or unique factors. It was not easy to convince the respondent to participate in the study. Multinational companies are known to work under very strict confidentiality in order to secure any unauthorized access to information. Most of the respondents agreed to participate on condition that the information was not divulged to any other party other than for academic purposes only. In conclusion, the study was limited to an in depth case study of Plc Tullow Company hence the findings are unique to Tullow Company and cannot therefore be used to make generalization on other Multinational oil Drilling companies in Kenya or globally.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The intense competition and media attention faced by business entities in the present day operating environment require development of effective strategies and careful execution of the same strategies so that the implementation of the strategies does not infringe to the expectations of the society which the organization operates in. There is need for the business strategies to be in perfect alignment with ever-changing corporate goals and that once a business has reconceived its own contours, it should be ready to face up to a new kind of environment with different and varied expectation (Kinney and Bell, 2009). Each time managers are faced with a strategic decision they need to make choices about who has necessary information and, therefore, who needs to participate in the decision. Such responses to strategic issues are believed to be affected by the way in which decision makers interpret issues. However, organizations develop habitual responses to issues and may be predisposed because of their attention to rules and routines, or because of past performance, to respond to strategic issues in certain ways regardless of how issues are interpreted (Daboub and Calton, 2006).

The resource based view (Barney, 1991) posits that, to gain competitive advantage, firms need to develop resources that are casually ambiguous, socially complex and difficult to imitate over time. One way to create such a resource according to Barney and Hansen (1994) is through effective interaction with primary stakeholders. For example firms which are able to engage stakeholders beyond market transactions create socially complex, resources that are not time barred but based on reputation and trust. Similarly,

Jones (2005) point out that firms which develop relationship with primary stakeholders based on mutual cooperation and trust is in a better position to gain advantage over firms that do not. This is because the process of developing trust and cooperation between the firm and stakeholders take time, which in turn lead to mutual beneficial value exchanges. Such exchanges to the firm lead to improved performance.

1.1.1 Strategic Objectives

An institution's strategy aims at the determination of the basic long-term goals and objectives of an enterprise, adoption of courses of action and the allocation of resources necessary for carrying out those goals. According to Porter (1985), the underlying reason of an organization strategic objective focuses on obtaining competitive objective and by obtaining the competitive objective, an organization was be able to influence its performance. The issue of influencing the organizations performance is of a fundamental concern to any management team. A popular organizations strategy that is based on the industrial organizations (IO) economics, is the competitive forces approach, where a firm seeks to defend itself against the five industry forces (consumers, suppliers, direct competitors, substitutes and direct entrants) where possible, tries to influence them in its favour (Porter, 1980). Thus the objective of the management team of a firm is to limit competition so as to be in a better position to acquire and keep as much profits for itself as possible.

According to Prahalad and Hamel (1990), the other strategy that an organization is that is based on core competencies. This strategy aims in a firm building core competencies and in the process creates a unique position in the market – one that cannot be easily

duplicated and in the process, the firm gains the potential to generate and protect superior returns. A market orientation strategy developed by Narver and Slater (2000) suggests that in order to positively affect performance, a firm needs to gain keen knowledge about the market it is operating in and turn that knowledge into a customer value proposition that is superior to its competitors while at the same time continuously adapting to market. The corporate social responsibility and corporate citizenship is the stakeholder management Freeman (1984). The premise underlying the stakeholder management is that firms are comprised of interdependent relationships and those firms should strategically manage these relationships in order to achieve its strategic objectives Zslonai (2006). As Crane and Livesy (2008) noted, as with any strategic management approach faced with the scarce resources, corporate managers must constantly ask themselves if the stakeholder management has the potential of generating positive performance to that firm that eventually lead to increase in shareholders wealth.

1.1.2 Stakeholder Involvement

The corporate social responsibility position argues that organizations should take the interest of the society into consideration when making decisions, as they see themselves participating in a larger social contract with consumers and the environment it is operating in (Andreasen and Drumwright, 2001). One of the compelling reasons behind firm's motivation to invest in CSR activities comes from the domain of stakeholder theory. Stakeholder theory is based on the belief that organizational survival and success is contingent upon satisfying its economic (e.g profit maximization) and non- economic (e.g corporate social performance) by meeting the companies various stakeholders.

Stakeholder theory helps to understand the environment and the different constituents' managers should satisfy in order to effectively manage the organisation. Stakeholder management theories are categorized into normative, descriptive and instrumental theories (Donaldson and Preston, 1995). Following the descriptive stakeholder theory, this study identifies stakeholders by their possession of one or more of the following attributes: their power to influence the firm, the legitimacy of the stakeholder's relationship with the firm, and the urgency of the stakeholder's claim on the firm (Mitchell *et al.*, 2007). They further point that the stakeholder theory approach allows corporate organizations to acknowledge that what matters to one group may not be significant to others, so conflicts are inevitable and need to be balanced. On the need of balancing the stakeholders' interest, Reynolds et al., (2009, p. 286) posit that "Balancing stakeholder interests is a process of assessing, weighing and addressing the competing claims of those who have a stake in the actions of the organisation. Hence, to survive, an organisation needs to focus on those stakeholders who provide the resources and support necessary for it to continue the activities desired by the stakeholders. Resource divisibility impacts on whether a manager was try to balance the interests of several stakeholders, or concentrate on one stakeholder at a time.

Successful stakeholder involvement fosters strategic development of partnerships, results in collaborative problem solving (sharing of power), ultimately results in broader support for decisions. According to Savage et., al (2004), the basic premises of stakeholder theory are that; the organization enters into relationships with many groups that influence or are influenced by the company, the theory focuses on the nature of these relationships in

terms of processes and results for the company and for stakeholders; the interests of all legitimate stakeholder are of intrinsic value and it is assumed that there is no single prevailing set of interests. Thus stakeholder involvement is defined as ‘the early and ongoing process of building and maintaining relationships based on mutual trust and respect through dialogue with diverse audiences about complex issues’ (Shaw, Ackermann and Eden, 2003).

1.1.3 Tullow Oil Operations in Kenya

The history of oil marketing in Kenya began in 1903 during colonial times. Initially kerosene was the main import in tins but later gasoline was imported in tins and drums. Royal Dutch Shell established the first depot on the Mombasa island at Shimanzi. BP and Shell carried out exploration work in the 1950s with the first exploration well being drilled in 1960. Over the past 50 years many other oil and gas companies have tried their luck onshore and offshore, including Exxon, Total, Chevron, Woodside and CNOOC (Deloitte 2013).

Tullow Oil is one of the largest independent oil and gas exploration and production companies in Europe with a focused portfolio of world-class assets. It is the Africa's leading independent oil company with recent basin opening discoveries in Ghana, Uganda and most recently Kenya. Following Tullow's exploration success to date in Uganda's Lake Albert Rift Basin, the company has extended its exploration acreage into the prospective East African Rift Basins of Kenya and Ethiopia. In 2010, Tullow signed agreements with Africa Oil and Centric Energy to gain a 50% operated interest in five Kenyan licences; Blocks 10BA, 10BB, 10A, 12A and 13T covering over 67,000 sq km

(six times the size of the licences in Uganda). In addition, Tullow gained a 50% operated interest in the South Omo Block in Ethiopia. The combined acreage covers the Turkana Rift Basin which is similar in character to the Lake Albert Rift Basin and also a south-east extension of the geologically older Sudan rift basins trend. On 23 July 2012, Tullow completed the acquisition of an additional 15% interest in Block 12A from Africa Oil, taking the interest in that block to 65%.

In 2011, Tullow completed a farm-in to Block L8, offshore Kenya, and holds a 15% equity position with a 5% additional equity option. More recently, Tullow farmed in to Block 12B in Kenya in February 2012. The first onshore well in the basin, Ngamia-1, in Block 10BB, commenced drilling in January 2012 and discovered over 200m of net oil pay opening up this entire rift basin as a potential major oil province. This has been followed by six further discoveries in the South Lokichar Basin which includes; Agete-1, Etuko-1, Ewoi-1, Amosing-1, Ekales-1 and Twiga South-1.

1.2 Research Problem

The present day organizations operate in an open system whereby they interact with the other environment players that include customers, competitors, communities, suppliers and employees. These different groups of players or stakeholders have varied demands and expectation that in some cases might not be tandem with that of the organization (Elbanna, 2010). He further points that, results of successful stakeholder involvement in an organization was include encouragement of partnership, collaborative problem solving (sharing of power) and ultimately results in broader support for decisions which was lead to successful implementation of its strategies and thus attainment of its goals. In

addition, what make this relationship to be special are the ever changing demands of these different groups of stakeholders. A business firm needs to appreciate the importance of this group of stakeholders and that in formulating its strategies; they need to consider the needs of the other stakeholders and how the same needs was influence the realization of the objectives. Therefore, an organizations strategy needs to be in perfect alignment with the ever-changing corporate goals that are increasingly dependent on business environments.

Kenya in the last one year has reported significant findings of Oil in the Northern part of the country. This discovery has been spearheaded by Tullow Oil Plc which has struck Oil in Block 10BB and Block 13T in Turkana. Despite the discovery of the Oil in these regions, the process has faced opposition from the locals, a challenge that has forced Tullow Company to suspend its operations in the recent past. The local community has accused Tullow Oil and associate companies of short-changing them on employment, tenders and vehicle hire contracts in the oil camp. As a result, in several times, the residents paralyzed operations in major oil wells in Turkana South and East districts demanding the oil company to address their woes. The claims raised by the local community include the failure of the company to honor their understanding that Tullow would give tenders of supplying vehicles. In order for the company to realize its strategic objectives, there is need for Tullow Oil to engage the local community in its operation and bring them on board in ensuring that the benefits of the Oil are enjoyed by the local community as well. It is on this basis that the current research sought to establish the role that stakeholder involvement influences the realization of Tullow organization objectives.

Several studies have been done on the role of stakeholders in the organizational strategy development and implementation. These include: Luseno (2007), Mathenge (2010) and Macharia (2011). Macharia (2011) undertook a research on Stakeholders' involvement in the success of strategy implementation among public secondary schools in Nairobi, Kenya. The findings of the study were that the school stakeholders plays a significant role in strategy implementation and their involvement has resulted in the achievement of broader support in the implementation of the organizations strategies, improved collaborative problem solving during the implementation phase and that over the period, the success of the strategies has been realized since the school incorporated the stakeholders. Mathenge (2010) researched on the Internal stakeholders involvement in decision making process in which she found out that despite the fact that these stakeholders are involved in the decision making process, there was need of the entire Stakeholder involvement process to undergo continuous evaluation, and the results of the evaluation must constantly inform the process, revising it as needed (formative evaluation). Luseno (2007) on his part undertook a research on the factors influencing communication among stakeholders in the integration process of East African Commission. He found out that the advantages of an effective early stakeholder's dialogue was be mutual understanding of project goals and interests and dissolve of possible issues preventing costly incidents, juridical and regulatory conflicts leading to time and cost overruns. On the basis of the aforesaid studies, the researcher is not aware of any study done on the stakeholder involvement in the realization of strategic objectives in an Oil company such as Tullow. This study therefore sought to answer the questions

around: Stakeholder involvement in the strategic process of Tullow Oil Company;
Stakeholders involvement in the realization of strategic objectives at Tullow Oil, Kenya?

1.3 Research Objective

The objectives of this study were:

1. To establish stakeholder involvement in the strategic process of Tullow Oil company;
2. To establish stakeholder involvement in realization of strategic objectives at Tullow Oil, Kenya

1.4 Value of the Study

This study will be useful to many players in the mineral exploration sector in the country. The organization would find this study important because they get to learn how effective stakeholder involvement in their strategies will help them in attainment of the same objectives. Also, they will get to understand to what extent these stakeholders need to go in their incorporation of views and how their influence could affect the realization of the organizations objective. In addition to philosophical issues of the appropriate relationship between stakeholders and organizations, the literature on stakeholder involvement could help managers in dealing with the fundamental challenges facing managers in today's dynamic and competitive environment: maintaining high levels of effectiveness, productivity, innovativeness, and worker motivation in an increasingly dynamic, competitive environment.

The government as a major player in the sector will find this study an invaluable source of material in developing appropriate policies that will guide and govern the mineral exploration sector in the country in dealing with different groups of stakeholders. By developing proper policies on the relationship between firms and various stakeholders, the organizations will be able to source for external funding since various stakeholders will be willing to deal with institutions with proper structures for engagement.

For academicians, this study will form the foundation upon which other related and replicated studies can be based on. Investors can also gain an insight on the business and its strategic position within the environment, which can assist them in determining viability of their investments.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter provides information from publications on topics related to the research problem. It examines what various scholars and authors have said about stakeholder involvement in the organizational strategic process. The chapter is divided into three main areas: theoretical review, organizational strategic objectives, levels of stakeholder involvement in organizational strategic objectives and the role of stakeholders in realization of organizational objectives.

2.2 Theoretical Foundation

A number of theories have been advanced by various scholars on the stakeholders' organization relationship. This study therefore is informed by three basic stakeholder involvement theories which include: normative stakeholder theory, instrumental stakeholder theory and descriptive stakeholder theory. The concept of stakeholder management was developed so that organizations could recognize, analyze and examine the characteristics of individuals or groups influencing or being influenced by organizational behavior (Scott and Lane, 2000). The management function in dealing with the stakeholders is carried out in three levels: the identification of stakeholders; the development of processes; identifying and interpreting their needs and interests; and the construction of relationships with the entire process structured around the organization's respective objectives (Baldwin, 2002). On the other hand, stakeholders define their expectations, experience the effects of the relational experience with the organization,

evaluate the results obtained and act in accordance with these evaluations, strengthening or otherwise their ties with the company (Neville et al., 2005).

According to Freeman (1999), a stakeholder is any group or individual who can affect or is affected by the achievement of the organization's objectives. In other words, it is the person or an organization that can be positively or negatively impacted by, or cause an impact on the actions of an organization (Freeman, 1999). These stakeholders can be distinguished in terms of the immediacy of their effect and their location. In terms of effect, there are two categories which are primary and secondary stakeholders. Primary stakeholders are those who are directly affected either positively or negatively by organization's actions. They are those groups whose continuing participation is necessary for the survival of the organization. Jawahar and MCLAughlin (2001) identify primary stakeholders as shareholders, investors, employees, customers and suppliers. Secondary stakeholders on the other hand, are those individuals, groups or organizations which can indirectly affect or be affected by the organization's actions.

2.2.1 Normative Stakeholder Theory

The stakeholder theory posits that an organization is a social construction made of interaction of various stakeholders. An organization is envisioned as the centre of a network of stakeholders, a complex system of exchanging services, information, influence and other resources (Mersland and Strøm 2009). Thus according to Harrison, Bosse et al. (2007) an organization's value is created when it meets the needs of the firm's important stakeholders in a win-win fashion by attending to the interests of all their stakeholders - not just their shareholders. According to Jones and Wicks (1999) and

Savage et al (2004), the basic premises of Stakeholder theory include among others; the organization entering into relationships with many groups that influence or are influenced by the company. Indeed Freeman's (1984) focused on the nature of these relationships in terms of processes and results for the company and for stakeholders; the interests of all legitimate stakeholders are of intrinsic value and it is assumed that there is no single prevailing set of interests. The theory focuses upon management decision making and explains how stakeholders try and influence organizational decision making processes so as to be consistent with their needs and priorities; and as regards organizations, it should attempt to understand and balance the interests of the various participants.

2.2.2 Instrumental Stakeholder Theory

The instrumental stakeholder theory advocates that certain outcomes will be obtained by the organization if certain behaviours are adopted. According to this theory, if the behaviour of the managers is in-line and accepted by the stakeholders then the organization will have certain outcomes. Freeman (1999) puts this as "if managers want to maximize shareholders' wealth, they should pay attention to their key 5 stakeholders" i.e. shareholders, investors, employees, customers and suppliers. In this theory, stakeholders are treated as both means and ends. The general proposition for this theory is that managers of organizations are employed based on mutual trust and cooperation between them and the stakeholders.

Instrumental approaches are aimed at maximising shareholder value paying attention to stakeholder relationships. The basic assumption in this model is that stakeholders control resources that can facilitate or slow down the implementation of strategies and therefore

must be managed to create competitive advantage to maximise profits and ultimately returns to shareholders. Clearly, in all cases, instrumental stakeholder management is a means to an end which may have nothing to do with the welfare of stakeholders.

An instrumental approach is essentially *hypothetical*; it is based on causal rules such as “to achieve (avoid) X, Y, or z, then adopt (don’t adopt) practices A, B, or C”. In a defensive situation, stakeholder concerns could be managed to avoid stakeholder action that may undermine the company’s objectives [e.g. to avoid action X from stakeholder P adopt practice A]. In a proactive situation, stakeholder concerns could be managed by building trust with stakeholders [e.g. to achieve customer retention build trust on product dependability]. Such rules in different formats and complexity can be used to represent the corporate knowledge on how to manage stakeholder relations. Instrumental stakeholder management is part of corporate strategy but does not drive strategy. Two variants of the strategic stakeholder management approach are the direct effects model and the moderation model. In the direct effects model, manager’s attitudes and actions towards stakeholders are perceived as having a direct effect on the company’s financial performance independent of the strategy. In the moderation model, managerial orientation towards stakeholders does impact strategy by moderating the relationship between strategy and financial performance.

2.2.3 Descriptive Stakeholder Theory

Descriptive stakeholder theory explains how organizations manage and or interact with stakeholders (Freeman, 1999). This theory purports to describe the actual behaviour. According to Jawahar and MCLAughlin (2001), the descriptive stakeholder theory of an

organization posits that the nature of its stakeholders, their values, their relative influence on decisions and the nature of the situation are all relevant information for predicting the organizational behaviour and performance.

Because an organization is dependent on its environment for resources (Pfeffer & Salancik, 2008), the importance of a stakeholder was depend on the needs of the organization and the extent to which the organization is dependent on that stakeholder, relative to other stakeholders, for meeting its needs. Therefore, at any given time, some stakeholders will be more important than others. Because the needs of an organization change over time, the relative importance of stakeholders will also change as the organization evolves through the stages of startup, growth, maturity, and transition. Organizations do not simply respond to each stakeholder individually; they respond, rather, to the interaction of multiple influences from the entire stakeholder set (Rowley, 2007). Depending on the relative importance of the stakeholders, an organization will use different strategies to deal with different stakeholders. Identifying the relative importance of stakeholders and describing strategies an organization might use to deal with those stakeholders is or should be the essence of any viable descriptive stakeholder theory.

2.3 Organizational Strategic Objectives

Organizational objectives usually are objective or subjective statements of organizational intent. Their purpose is the definition of some desired end and states the organization wishes to achieve. A measure of effectiveness, based on common usage of the term, would be how well the organization meets the end state(s) (Evan, 2006). Given that all organizational objectives are not simple, short range, and quantifiable, there may be.

Seashore and Yuchtman (2007,) suggested a hierarchical model that included some ultimate criterion, asset of penultimate criteria, and a subsidiary level of variables.

Organizational objectives can be presented by financial aims for attainment or workers satisfaction. Ho, (2008) pointed that organizational objectives can be evaluated by the level of efficiency and effectiveness of aim attainment. Furthermore, Venkatraman et al, (1986) cited that the objectives of a firm can be assessed by financial performance namely; return on investment, growth of sales, profit, organization effectiveness, and business performance. Similarly, Delaney et al, (2006) assert that organization objectives can be geared towards improving the quality service and products, satisfying customers, market performance, service innovations, and employee satisfactions. In the same way, Green et al, (2007) identified that return on investment, sales and market growth, and profit are important factors that can be the objectives of a firm. According to these researchers, there are many factors in which the organization can consider as its objectives and can broadly be measured by such parameters as increased market shares, improved financial performance, efficiency and effectiveness of the organization, and human resource management.

2.4 Levels of Stakeholder Involvement in Organizational strategic Process

Stakeholder involvement is an integral part of a stepwise process of decision making. At different phases, involvement may take the form of sharing information, consulting, dialoguing, or deliberating on decisions; it should be seen always as a meaningful part of formulating and implementing good policy (Lapenu and Pierret, 2005). Specific

involvement initiatives may be seen as part of an ongoing relationship among the different societal partners who are concerned by issues. Stakeholder involvement techniques should not be viewed as convenient tools for “public relations”, image-building, or winning acceptance for a decision taken behind closed doors. Involving relevant stakeholders throughout the strategic process is very important to broaden the support for policy and activities, to avoid conflicts and to generate as much support as possible for the success of the plan over time. The importance of participatory processes is generally well understood, but traditional administrative and political processes are reluctant to open up policy development and decision-making to a wider, but more unfamiliar (and perhaps less manageable) public (Lapenu and Pierret 2005).

According to Lapenu and Pierret (2005), the levels of Public Involvement include: Information gathering that encompasses a systematic analysis of existing social, cultural and economic conditions about directly affected groups of stakeholders and also Information dissemination that include referring to the provision of information about a project to all interested parties (stakeholders). Stakeholders cannot genuinely be consulted or participate if they are not fully informed about the objectives of a project. Consultation should involve decision makers listening to the views of other stakeholders in order to improve project design prior to implementation, or to make necessary changes during implementation. The process should involve government, affected parties, donor agencies, mass awareness organizations and NGOs (Local and/or international). Indeed any strategy implementation should by extension involve the participation where directly affected groups become joint partners in the design and implementation of projects.

Harrison and St. John (1998) categorize stakeholders into those within the organization (owners/board of directors, managers, and employees) and within the operating environment (customers, suppliers, government agencies and administrators, unions, competitors, financial intermediaries, local communities, and activist groups), all operating within the broader environment subject to socio-cultural, global economic, and global political/legal forces and technological change. They emphasize the importance of identifying, understanding, building relationships with, and satisfying its key stakeholders, and taking these stakeholders into account in the formulation of organizational strategy. Another distinction is in terms of their location which includes internal and external stakeholders. The internal stakeholders are those groups which belong inside the organization such as managers and employees. External stakeholders are groups which are outside the organization and have effects on the survival of the organizations (Harrison 2007). These groups consist of customers, suppliers, government agencies, local communities and unions. Involvement in strategic decision making has been one of the important governance and strategy roles of boards. Board's involvement here refers to the overall level of participation of board members in the process of making non routine, organizational wide resource allocation decisions that affect the long term performance of an organization (Judge and Zeithaml, 1992). For the Micro Finance Organizations, the main strategic decisions made are those concerning the vision and mission in terms of the target clients and financial services to be offered, geographic outreach, growth strategy in terms of new product development, choice of directors, lending policies and interest rates to be charged (Lapenu and Pierret, 2005). With the

current competition, these organization's strategic decisions are becoming of more importance and the involvement of boards in making these decisions is necessary.

2.5 Role of Stakeholders in Realization of Organizational Objectives

The resource based view (Barney, 1991) posits that firms which wish to attain an advantage over their competitors need to develop resources that are socially complex and not easily imitate and that pass through a critically time dependent stages. It can therefore be deduced from this that one way that such resources can be created is through effective interaction with primary stakeholders such as shareholders, investors, customers, suppliers, government, natural resources and local communities. Effective management of stakeholders can result in much more than their on-going participation with the firm; it can lead to development of resources that are inimitable and therefore providing protection against the erosion of any financial benefits that these resources might generate. Similarly, Jones (1995) argues that firms who develop relationships with primary stakeholders based on mutual trust and cooperation are in a better position to gain an advantage over firms that do not. The reasoning is that developing trust and cooperation between primary stakeholders takes time, which in turn leads to mutually beneficial value exchanges which to the firm leads to increased performance.

The stakeholder theory also recognizes that firms have explicit cost (e.g. payment of interest to bondholders) and implicit cost such as environmental costs. The stakeholder theory notes that if firms try to reduce their implicit costs by acting socially irresponsible, then they was actually incur higher explicit costs which can result in competitive disadvantage. Still on the same, Alexander and Buchholt (2002) argue that

demonstrating higher levels of responsibility towards primary stakeholders is an indicator of superior management skills, which leads to lower explicit costs.

Lapenu and Pierret (2005) contends that the advantages of an effective early stakeholder's dialogue was be mutual understanding of project goals and interests, early identification and dissolve of possible issues preventing costly incidents and juridical and regulatory conflicts leading to time and cost overruns. The establishment of shared agreement within the initiation will minimize surprises and provide a higher level of acceptance from the project team, client and stakeholders. In addition, the participation of stakeholders makes the initiative more credible and attractive for investing and financing. Consider mentoring any stakeholders who participate in your planning council or workgroups. The standard for meaningful participation will be met when well-informed stakeholders become knowledgeable observers, critics of your efforts and, eventually, positive agents of change. Stakeholder criticism of your efforts is an opportunity to draw diverse opinions and interests into your planning process.

According to Lapenu and Pierret (2005), the current business analysis phase defines and analyzes SBUs and related stakeholders. The emphasis is on the analysis of stakeholders' demands. The strategy development phase offers strategic alternatives according to five guidelines: resolution, replacement, integration, re-aggregation, and balance. Then, it filters these alternatives through core competences and weaknesses. In the strategy evaluation phase, the alternatives are evaluated by the stakeholder relationship improvement index (SRII). SRII estimates how the strategy can improve the relationships between a business organization and its stakeholders. The strategy implementation phase

makes a detailed action plan for a final strategy and implements it. Performance of this new strategy can be monitored continuously after implementation; the strategy may be adjusted if it is not satisfactory.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that was used to carry out the study. In this chapter, the researcher presents the research design and population size. The chapter also illustrates how this data was analyzed giving details of any models or programmes that were used in analysis with reasons as to why these particular models or programmes were be applied.

3.2 Research Design

The research design was a case study. A case study is an in-depth investigation of an individual, institution or phenomenon. The primary purpose of a case study is to determine factors and relationships among the factors that have resulted in the behavior under study. The researcher adopted this method since not all the potential respondents of the study was knowledgeable of the role of stakeholder involvement in realization of strategic objectives at Tullow oil Kenya. In light of this therefore, a case study design was be deemed as the best design to fulfill the objective of the study as the results was expected to provide an insight in understanding how external stakeholders influence strategy implementation at the company.

3.3 Data Collection

The study made use of primary data which was collected through a face to face interview with the researcher. The interview guide consisted of questions that the interviewer asked the respondents. The respondents interviewed were involved with the formulation and

implementation of the organization's strategy. The interview guide was made up of three sections namely; respondents profile, external stakeholders role in the organizations strategy and how external stakeholders influence the realization of the organizations objective. The researcher believed it would be possible to obtain data required to meet specific objectives of the study. The interviewees were six (6) in numbers which shall be comprised of two top managers and four middle level managers of the Tullow Oil Company working in Exploration; Technical; Administration and Finance; Procurement; Human Resources; Marketing and Research & development divisions. This group of respondents was considered to be key informants for this research. In addition this group of respondent was either involved in the development or implementation of the organization's strategies.

3.4 Data Analysis

The data obtained was analyzed using content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Hsieh and Shannon, 2005). It involves observation and detailed description of objects, items or things that comprise the object of study. The theme (variables) that was used in the analysis was broadly be classified into two: stakeholders of Tullow Oil Company and how they influence the realization of the organizational objectives.

Content analysis, as a class of methods at the intersection of the qualitative and quantitative traditions, is used for rigorous exploration of many important but difficult-to-study issues of interest to management researchers (Carley, 2003). This approach was more appropriate for the study because it allows for deep, sense, detailed accounts in

changing conditions. Thus the qualitative method is suitable for this research because this research was conducted within the environment where the implementation initiatives occurred.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This study sought to obtain information on the two key objectives identified as: establishing the extent of stakeholder involvement in the strategic process of Tullow Oil Company; and to establish stakeholder involvement in realization of strategic objectives at Tullow Oil, Kenya. To achieve the set objectives six (6) respondents were targeted and five respondents responded. The Respondents interviewed were: two top managers and three middle level managers of the Tullow Oil Company working in Exploration; Technical; Administration and Finance; Procurement; Human Resources; Marketing and Research & development divisions.

4.2 Demographics

An in depth analysis of the organization was done and the findings established that in regard to the length the respondents had served the organization, the findings established that three (3) of the respondents had worked in Tullow Company for more than three years while two (2) of the respondents had worked for two years. In their capacity as managers, they had a better understanding of the strategy implementation and the objectives of the company in stakeholder involvement.

4.3 Stakeholder Involvement

The findings also established that Tullow Company had stakeholders, the respondent unanimously agreed that Internal Stakeholders included: Board members, staff members, volunteers, donors, owners. Similarly, they agreed that the external stakeholders of the

company included: community partners, government of Kenya, suppliers, shareholders, creditors and customers.

When asked about the role of different groups of stakeholders in the organization, majority of the respondents noted that both external and external stakeholders had different functions. From the findings, it was revealed that internal stakeholders were people who worked directly within the business, such as employees, owners, and investors. According to the findings, three of the respondents argued that internal stakeholders accounted for specific project planning activities that needed to participate in certain activities. The other two respondents pointed out that just like external stakeholders, internal stakeholders were consulted regarding other activities for which they had no direct responsibility. In view of the respondents these activities were for example planning activities in which internal stakeholders participated with differing levels of involvement.

The findings revealed that the planning activities included project scope estimation; definition of work product, task attributes and project life cycle, creation of budget and project schedule, identification of project risks, planning for data management, project resources, personnel, stakeholder involvement and training; creation and review of project plan; reconciliation of work and resource requirements as well as gaining stakeholder commitment to the project plan.

On the other hand, the findings revealed that majority of the respondents agreed that external stakeholders were groups outside Tullow Company who were not directly working in the company but they were affected in some way from the decisions of the

business for example customers, suppliers, creditors, community, trade unions, and the government. The findings of the study also pointed out that external stakeholders were highly involved in project planning activities just like the internal stakeholders.

Three (3) respondents explained that the roles of the external stakeholders were limited to that of the consultants rather than team members who were directly accountable for individual project planning activities. The other two (2) respondents pointed out that the stakeholders that are highly involved in Tullow Company activities include representatives of special interests, such as employees, local communities or the environment, commonly invited to participate in stakeholder panels to review company performance and reporting practices for example co-implementers such as Non-Governmental Organizations, who have partnered with the company to implement a joint solution or program to address a shared challenge. For example, Tullow Company experienced various challenges in its first time visit to Turkana to drill oil. The company ran into difficulties in July 2013 after pastoralists in Turkana County of Kenya rejected the firm's proposal to move to a new exploration site at the Twiga 2 oil site in Lokichar basin. They complained that the ongoing oil exploration in the region interfered with pasture land and future pastures for their animals would be decimated. In late October 2013, the local communities staged demonstrations demanding jobs and other benefits from any potential future operations in the region, prompting the firm to suspend drilling and sending the firm's share price down. The locals also managed to gain entry to facilities and two oil blocks, resulting in looting and vandalism. The resumption of drilling was only achieved after peace talks were agreed with local leaders in mid-

November of the same year. Other challenges included language barriers and poor road infrastructure.

The findings of the study also revealed that some of the stakeholders engaging with company had an obligation to understand the company's objectives and to be well informed of the company's operations to ensure that the dialogue is constructive. These was confirmed by four respondents (4), while one of the respondents highlighted that the process of finding solutions that were beneficial to everyone was possible when stakeholders understood and appreciated the economic and legal objectives underlying the operations of Tullow Company in its process of strategy implementation.

The findings of the study also revealed that majority of the stakeholders were well informed and knowledgeable since Tullow Company was transparent in all its strategic processes as well as reporting on key issues that impacted on the stakeholders. One of the respondents argued that both the organization and the stakeholders had an obligation to effectively communicate sincerely and attempt to understand each other to realize strategic objectives.

The respondents were asked how the organization identifies its external stakeholders and the group and people involved in the process. Majority (5) of the respondents unanimously agreed that the company had a management committee that decides who should be involved in the strategic planning process. They agreed that the most important reason for identifying and understanding stakeholders was that it allowed the firm to recruitment them as part of the effort. Three (3) of the respondents were of the view of

the fact that the organization used a participatory effort that involved representation of as many stakeholders as possible a strategy that could have resulted in a number of important advantages namely: putting more ideas on the table than would be the case if the development and implementation of the effort was to be confined to a to an organization or to a small group of like-minded people.

This view was consistent with the view held by the administration and finance manager who indicated that the second advantage of engaging as many stakeholders was that the organization was able to get a clearer picture of the community context and potential pitfalls and assets which includes varied perspectives from all sectors and elements of the community affected.

The respondents (5) agreed that multiple stakeholders were very resourceful especially when making key decisions in the organization. Majority of the respondents argued that with multiple stakeholders, the company was able to get support from all stakeholders by making them an integral part of its development, planning, implementation, and evaluation. Eventually, it will become their effort, and they'll do their best to make it work.

Two (2) of the respondents explained that the importance of identifying stakeholders is because it strengthens the organization's position whenever the organization faces opposition. The other three (3) respondents argued that with many stakeholders there was a huge difference in terms of political and moral clout since it created a bridging social capital for the community.

The above findings are however consistent with the argument raised by Crane and Livesy (2008), who stated that “Social capital is the web of acquaintances, friendships, family ties, favors, obligations, and other social currency that can be used to cement relationships and strengthen community. Bridging social capital which creates connections among diverse groups that might not otherwise interact is perhaps the most valuable kind”. The respondents noted that this however increased the credibility of the organization. Involving and attending to the concerns of all stakeholders establishes the organization as fair, ethical, and transparent, and makes it more likely that others will work with the organization in other circumstances (Neville, Bell and Whitwell, 2004).

The respondents concurred that the reason why Tullow Company had engaged and identified its stakeholders in its decisions was to ensure an increase in the chances of attaining its strategic objectives in Kenya. To succeed in its strategic process and being in a new environment it was eminent for Tullow Company to engage its stakeholders in its strategy implementation process so as to achieve its strategic objectives.

With regard to the group of stakeholders involved in Tullow Oil (K) Ltd strategic process, the findings revealed that the company’s Management Committee provided an appropriate outline of the project plan implementers such as the management, employees and volunteers as well as those who could possible contribute to the development of the project for example the community activists and funding bodies.

The findings showed that when the management makes a decision on who has to be involved in the strategic process, the management committee has also to determine at

what level of engagement and how the stakeholder will contribute to the organization's strategic planning objectives in the future. Majority (5) of the respondents contended that there were many different ways that the stakeholders could be involved in the realization of strategic objectives of the organization which include; having an open day with a number of workshops, holding a series of consultation meetings with specific groups, calling for written submissions, filling of questionnaires and formation of a steering group made up of a range of stakeholders.

From the above findings, it was also revealed that, a combination of these approaches was likely to ensure that all groups and stakeholders had a say in developing the strategic plan. The study findings also found that there were different levels that Tullow Company engaged its stakeholders in their strategic management process. However different stakeholders were involved at different levels. Majority of the respondents (4) concurred that some stakeholders were engaged at corporate strategy level whereby at this level the strategy sought to determine the direction that the organization was heading and the roles that each business unit in the organization planned in pursuing that direction.

The findings also revealed that in business level strategy the organization focused on how an organization should compete in each of its businesses. For example for a small organization in only one line of business or the large organization that has not diversified into different products or markets, the business strategy typically overlaps with the organization's corporate strategy.

One of the respondents explained that, for an organization with multiple businesses, however, each division would have its own strategy that defines the products or services it can offer and the customers it intends to target. He added that, the other strategy was Functional strategy level that highly concentrated with the support of the business strategy. According to the research and development manager, most of the organizations that have traditional functional departments such as manufacturing, marketing, human resources, research and development, and finance, these strategies need to support the business strategy.

The interviewees were asked to comment about the strengths and weaknesses of the current Tullow Oil external stakeholders' involvement in decision making. The findings revealed that, based on the strength, Tullow Company was able to gain and enhance its production level while averting conflicts with their stakeholders or other undesirable consumer actions. This was achieved through the organization's ability to identify ways to increase efficiency and reduce costs in their operations such as through understanding of the stakeholders needs and involving them strategically in the realization of the organization's strategic objectives.

It was also revealed that stakeholder engagement and the board decision to integrate the best governance practices was a key initiative towards achieving the organization's strategic objective. On the other hand, three (3) of the respondents contended that Tullow Company managed to win the support of the communities for example Turkana where they operated and jointly solved problems that affected the company as well as the local population.

The respondents were asked to determine the challenges that Tullow Company faces in incorporating external stakeholders in the strategic decision making. From the outcome of the interview, the results clearly showed that one of the challenges was greater expectation from the public and local communities. Oil exploration and excavation being a unique industry, there was a lot of expectation that it will ultimately solve all the problems affecting the local community and the country at large and this was wrong perception.

One of the respondents also pointed out that the second challenge was lack of adequate cooperation from the local community despite being offered priority for employment opportunities by Tullow Company. Majority (4) of the respondents stated there was political instability. The respondents added that the political temperatures were very high between the government and the opposition. According to the respondents, there was a gap in political stability which could negatively impact on their strategic objectives in Kenya.

The respondents concurred that there was a lot of insecurity in the country and our security was at threat following the multiple terror attacks by Alshaabab that led to travel advisories which negatively impacted on the tourism sector in Kenya. The findings also revealed that insecurity cases were trending at an alarming rate in the northern part of the country which was prone to inter-community conflicts related to scarce resources that is water and pasture for livestock. In addition boundary conflicts between the Pokot and Turkana communities coupled with frequent cattle rustling activities in the area inhibited the company's Oil exploration and excavation agenda.

4.4 Stakeholder Involvement in Realization of Organizations Strategic Objectives

The respondents also pointed out that the other challenge that faced Tullow Company in incorporating external stakeholders was poor road infrastructure. The respondents acknowledged that the Kenyan government being a key stakeholder did very little to ensure that the road leading to the excavation area was upgraded.

In regard to the initiatives taken by Tullow Oil company management in creating and sustaining a conducive climate within the organization in order to motivate the external stakeholders' involvement in the strategic process, the findings revealed that Tullow Company provided employment opportunities to the locals, business opportunities for example tenders and transporters. The findings also revealed that Tullow Oil Company initiated scholarships and programs where locals were the greatest beneficiaries. In the calendar year 2014-15, the company reported that 24 out of the possible 30 scholarships beneficiaries came from the local community. The company had endeavored to initiate scholarship programme on an annual basis that would see beneficiaries being sent to study in top Universities abroad to undertake unique courses related to oil exploration and excavation. Also, the organization engaged the local in drilling of boreholes as well as supporting local schools and dispensaries through improving education and health infrastructure as part of its corporate social responsibility.

When asked about Stakeholder involvement in realization of organizations strategic objectives, the findings revealed that the organization maintained trust and mutual respect; the stakeholders were only consulted on matters that needed urgent attention. All

the respondents unanimously agreed that Tullow Oil Kenya activities are guided by respect for the priorities, culture, values, and way of life of the communities they work with, as well as by the highest environmental, health and safety standards through proactive internal policies and guidelines as well as adherence to global best practices.

There was a tie between two (2) respondents: the human resource manager and research and development manager, both of them noted that keeping an open mind was an essential ingredient in maintaining a good relationship with its stakeholders. According to the respondents, sometimes consultations were made where the organization had already determined their plan of action which was likely to be perceived as an untrustworthy public relations exercise.

The respondents were requested to comment on the effect of stakeholder involvement by Tullow Company in collaborative problem solving during the implementation phase, the respondents unanimously agreed that there was increased productivity, enhanced cooperation with stakeholders and reduced conflicts. This highly contributed towards achieving organizational strategic goals. In addition, all the five (5) respondents underscored the need for the organization to develop a strong stakeholder engagement policy by coming up with a structured mechanisms to actualize it as the strategy had the potential to bring in more positive results.

In reference to the effect of involving the stakeholders in organization's strategic process, the respondents confirmed that success had been achieved through realizing reduced excavation interruption, increased outputs, greater cooperation and coordination with the

community which was significant in strategy implementation process. The respondents also confirmed that the outcome of stakeholder involvement led to organizational competitiveness.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This final chapter of the study chapter focused on the summary of the research findings, recommendations, limitations of the study, suggestions for further research and conclusions. The findings were presented in respect to the main objectives which were to establish stakeholder involvement in the strategic process of Tullow Oil Company and to establish stakeholder involvement in realization of strategic objectives at Tullow Oil, Kenya.

5.2 Summary of the Findings

The main objectives of the study were to establish the extent to which stakeholder involvement in the strategic process of Tullow Oil Company and to establish stakeholder involvement in realization of strategic objectives at Tullow Oil, Kenya. Results of study revealed that: In reference to the demographics, three (3) of the respondents had worked in Tullow Company for more than three years while two of the respondents had worked for two years. About stakeholder Involvement, the findings unearthed that Tullow Company had stakeholders namely: Board members, staff members, volunteers, donors and owners. On the other hand, external stakeholders of the company included: community partners, government of Kenya, suppliers, shareholders, creditors and customers.

With regard to the role of stakeholders the findings revealed that internal stakeholders accounted for specific project planning activities that needed to participate in certain activities. Most of the external stakeholders were groups outside Tullow Company who were not directly working in Tullow Company, however, they were not affected by the decisions of the organization for example customers, suppliers, creditors, community, trade unions, and the government. This was in agreement with the arguments rose by Scott and Lane (2000) who indicated that external stakeholders play an important part in strategy implementation of the organization however their interests with that of internal stakeholders may be different.

The study further revealed that some of the stakeholders engaging with the organization had an obligation to understand the company's objectives and to be well informed of the company operations to ensure that the dialogue is constructive. It was clear that the stakeholders clearly understood all the processes of strategy implementation by Tullow Oil Company since they were highly involved in the processes of decision making. The study discovered that the Company used a participatory effort that involved representation of as many stakeholders as possible a strategy that could have resulted in a number of important advantages namely: putting more ideas on the table than would be the case if the development and implementation of the effort was to be confined to a to an organization or to a small group of like-minded people.

The study further confirmed that many stakeholders were resourceful in making key decisions in the organization since the organization was able to get support from all

stakeholders by making them an integral part of its development, planning, implementation, and evaluation.

Tullow Company had a Management committee that made decisions on the parties that were to be involved in the process of strategic planning in order to achieve the organizational goals. This was achieved through developing an outline of the project plan, the implementers and the budget to execute the budget. This outline acted as a guide on how the process of implementation of the project was to be executed in time and cost.

The findings also proved that stakeholders were engaged at different levels in their strategic management process. These levels are namely: corporate strategy level whereby at this level the strategy sought to determine the direction that the organization was heading and the roles that each business unit in the organization planned in pursuing that direction. The other level was business level strategy whereby the organization focused on how to compete in each of its businesses. In the functional strategy, the firm highly concentrated with the support of the business strategy.

The findings also revealed that most of the respondents were not sure about the future of the organization in its activities owing to political instability and increased insecurity cases in the project area and the country at large. The study also found that stakeholder involvement was a key ingredient towards achieving organizational strategic goals. According to the findings, better stakeholder involvement led to increased efficiency and cost reductions which are essential components in achieving organizational strategic objectives.

5.3 Conclusion of the Study

The study concludes that proper stakeholder involvement led to increased efficiency and reduction of costs in their operations, achieved through greater cooperation and involvement of stakeholders in the realization of strategic objectives of the company. This was realized through an integrated stakeholder involvement which was a key initiative towards achieving the organization's strategic objective. The study further concludes that success is easily achieved when a firm cultivates better stakeholder involvement practices which enhance increased outputs, greater cooperation and coordination with the key stakeholders which significantly leads to a successful strategy implementation process and thus achieving organizational goals. In addition, Tullow Oil Company should strive to develop a strong stakeholder engagement framework and come up with structured mechanisms to actualize it.

5.4 Recommendations of the Study

The study recommends community involvement and participation. Communities' should be educated on the importance of the investors and how to treat them, this will make the communities to better understand and appreciate foreigners and investors seeking to invest in Kenya.

The government should consider reducing barriers through creating an enabling environment in order to provide a conducive environment for attracting local and international partners. This is because investors play an important role in creating job opportunities and domestic tourism; they also play an important role in the growth and development of an economy.

The study also recommends the necessity of key stakeholder policies by the Kenyan government to guarantee an enabling environment for international dealings when engaging and attracting international businesses to Kenya. Business partners should be fairly treated to strengthen ties and relationships locally and internationally. With a stable stakeholder involvement policy investors can invest locally without hindrances and Kenya can be able to expand its market globally through attracting foreign investors.

The Kenyan government should invest on security through, securing the borders, providing proper training to the military and the police force, increasing intelligence and other security agencies. Foreigners need to be confident while investing in a foreign country and the government should take all the necessary measures to ensure that foreigners feel safe when engaging in business deals and partnership.

5.5 Limitations of the Study

It was not easy to convince the respondents to participate in the study. Multinational Companies are known to work under very strict confidentiality in order to secure any unauthorized access to information. Most of the respondents agreed to participate on condition that the information was not to be divulged to any other party other than for academic purposes only.

The study was also limited to an in depth case study of Plc Tullow Company hence the findings are unique to Tullow Company and cannot therefore be used to make generalization on other multinational oil exploration and drilling companies in Kenya or globally.

5.6 Suggestion for Further Studies

It is important for future researchers and academicians to conduct a research in an international oil exploration and drilling Company similar to Plc Tullow in terms of size and areas of intervention in order to establish stakeholder involvement in the strategic processes of the company and to establish stakeholder involvement in the realization of strategic objectives at the company. The findings can then be compared to assess if there are any commonalities or unique factors.

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APPENDICES

Appendix I: Letter of Introduction



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

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

P.O. Box 30197
Nairobi, Kenya

DATE: 16.09.2014

TO WHOM IT MAY CONCERN

The bearer of this letter ... OSCAR KOKWO LOMUNAN

Registration No. DG1/67500/2011

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
PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

Appendix II: Interview Guide

The objective of this study is:

1. To establish stakeholder involvement in the strategic process of Tullow Oil company;
2. To establish stakeholder involvement in realization of strategic objectives at Tullow Oil, Kenya.

Section A: Respondents Profile

1. What is your position in the company?
2. How long have you worked in the company?

Section B. Stakeholder Involvement

3. Does the Oil Company have stakeholders?
4. If yes in (1) above, who are your
 - a. Internal Stakeholders?
 - b. External stakeholders of the company?
5. What is the role of different groups of stakeholders in your organization?
6. How does the organization identify its external stakeholders and who are involved in the process?
7. Which group of stakeholders is involved in Tullow Oil (K) Ltd strategic process?
8. At what levels do you involve the stakeholders in your strategic management process?

9. Explain the ideal internal stakeholders' involvement in strategic decision making process
10. What are the strengths and weaknesses of the current Tullow Oil external stakeholders' involvement in decision making?
11. What challenges does the organization face in incorporating external stakeholders in the strategic decision making?
12. What initiatives are taken by Tullow Oil company management in creating and sustaining a conducive climate within the organization that motivates external stakeholders' involvement in the strategic process?

Section C: Stakeholder involvement in realization of organizations strategic objectives

13. What effects has stakeholder involvement had to broaden the support for policy formulation and implementation of activities of the firm within the local community and the government?
14. What effect has the involvement had in the Oil Company's collaborative problem solving during the implementation phase?
15. Has Tullow broaden its support as far as strategy implementation is concerned and therefore limiting conflict between itself and other stakeholders?
16. Upon involving the stakeholders in your strategic process, do you think the success of the same strategies has been realized through the organization achieving its objectives better?

17. While implementing the stakeholder involvement program, have the results obtained after the involvement enhanced the organizations competitiveness?
18. Any other issue that you would wish to add on stakeholder involvement in the organization's strategic management processes?

THANK YOU VERY MUCH FOR YOUR COOPERATION