STRATEGY EVALUATION AND CONTROL
PRACTICES AT KENYA BUREAU OF STANDARDS

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DECLARATION

I the undersigned declare that this Research Project is my original work and has not been submitted for the award of a degree or academic credit in any other institution or university.

Signed …………………………………………..       Date…………………………..

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This Research Paper has been submitted for examination with my approval as the university supervisor.

Signed …………………………………………..       Date…………………………..

Prof. Evans Aosa
Supervisor
DEDICATION

This thesis is dedicated to all the people who have never stopped believing in me and who along with God, have been my ‘footprints in the sand.’ I dedicate this work to my Mum and Dad for their everlasting love, sacrifices and prayers. They have taught me to give my best in what I do, and be strong through adversity. Dad has always inspired me with his thirst for knowledge by constantly reading and learning while mum’s virtue of patience and faith has always been admirable, they have always loved me unconditionally and their good examples have taught me to work hard for the things that I aspire to achieve. I also dedicate this work to my family; my husband, Douglas who has been a constant source of support and encouragement during the challenges of graduate school and life. I am truly thankful for having you in my life and my children - Sandra, Kyla and Jonathan, I remain forever in your debt for teaching me to get up after a fall and start again. And lastly to all my friends- Thank you for being terrific friends
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ABSTRACT

The growing need to continuously improve efficacy in Kenya Bureau of Standards (KEBS) is driven by the fact that customers expect the organization to provide quality preparation of standards relating to conformity assessment activities namely; products, measurements, materials, processes, etc. and their promotion at national, regional and international levels; certification of industrial products; assistance in the production of quality goods; quality inspection of imports at ports of entry; improvement of measurement accuracies and dissemination of information relating to standards. Evaluation and control is a powerful management tool that can be used to improve the way KEBS and in particular public organisations achieve results. Just as institutions need financial, human resources and accountability systems, public organisations also need good performance feedback systems. Evaluation and control is a systematic effort to set performance standards with planning objectives, design information feedback systems, compare actual performance with these predetermined standards, determine whether there are any deviations, measure their significance and to take corrective measures required to ensure that all corporate resources are used in the most effective and efficient manner. KEBS was established in 1974 through an Act of Performance parliament Cap 496 of the Laws of Kenya. This study sought to investigate the strategy evaluation and control practices at the Kenya Bureau of standards (KEBS). A case study approach was used in order to get and in-depth insight of the adopted strategy evaluation and control practices. Primary data and secondary data were used. Informants drawn mainly from the top management in the Human resource & administration, finance and Information communication technology (ICT), Testing, Metrology, Standards development, Certification, Quality assurance, Inspection and national quality institute provided the required data collected through a prepared interview guide comprising of open ended questions. Secondary data was sourced mainly from annual financial reports, seminal presentations and KEBS Strategic Plan 2012-2017. Content analysis was used to analyze the data which confirmed practices used by KEBS in strategy evaluation and control as benchmarking, Certification, Accreditation, information communication technology, strategic audit, strategy monitoring, performance appraisal and customer surveys. The research findings indicate that KEBS had a well thought out strategic plan that included all aspects of formulation, implementation, performance indicators, evaluation and control. A number of staff from key departments was involved in the formulation of the strategic plan. An independent unit for monitoring, evaluation and control however needs to be set up which assists the organization on undertaking evaluation and control. Finally, recommendations made in the study on improvement of the strategy evaluation and control framework will be valuable to KEBS, scholars, academicians and any other organization or individual who may want to use the study. The limitations of the study included difficulty in accessing the informants as most were busy with work commitments, the research was based on subjective responses of interviewees thus can be biased and lastly strategy evaluation is a wide area thus not all the areas could be covered.
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Market dynamics such as, the emergence of the global economy, advances in technology, increased societal demands, and the need to provide more social services with fewer resources have created challenges for public organizations (Kernaghan and Siegel, 1999). A widespread desire for increased organizational scrutiny has increased the pressure for change, given more accessible globalized information systems and heightened media attention critical of government inefficiencies in service delivery. Pressure comes from a broad group of stakeholders demanding accountability for spending and wanting measures in place that are not easily benchmarked (Fahey and Randall, 1994). To achieve the goals and objectives for which they are formed, most public organisations use their strategic planning in order to select the right strategies and manage the internal environment. The planning also allows them to identify their competitive advantage and decide how to adapt to the changes in environmental conditions and government policies (Bradmore, 1996; Porter 1980, 1985). Many developing countries, Kenya included, are beginning to focus on the public sector by introducing strategic management and performance measures.

The achievement of public goals and purposes therefore depends upon the ability of public corporations to convert policy mandates into patterns of action that deliver goods and/or services to citizens. To meet these considerable challenges, public sector organisations must revisit their strategic management processes and measurement systems. To measure the effectiveness of strategic management processes within the organization, evaluation and control must be done. Strategy evaluation and control is gaining importance in many organisations around the world. Its importance has been singled out by many successful organisations who have established evaluation and control systems. Studies have shown that a proper and established strategy evaluation and control system assists organisations to be able to achieve goals, objectives and further take corrective measures at early stages (Bryson, 2004).

Innumerable strategic management frameworks have been developed for the private sector where consulting is commonplace, there is a scarcity of frameworks and
associated measurement tools for the public sector. This is because the key motivator of public sector organisations is something other than revenue or profit, rendering them more complicated to define, measure and benchmark. Notable public sector strategist Bryson (2004) argues that leaders and managers of public sector organisations must become effective strategists if these organisations are to fulfill their missions, meet their mandates, satisfy their stakeholders, and create public value in the years ahead. The challenge comes with the low profile of strategic management in the sector, not because it is not considered important, but rather because the process has been considered too difficult within complex organisations in the sector, and there are few appropriate strategic frameworks. An appreciation of strategic management though can be confusing Bryson (2004) suggests that the vast majority of public sector organisations already claim to engage in strategic management, but exactly what they mean is unclear

1.1.1 Strategic Management Process

Strategic management process is ways for organizations to build strategies that help them respond quickly to new challenges in the environment. Organizations do not operate in a vacuum. They interact with various environmental elements hence a need to formulate, implement and monitor and evaluate the strategies (Marr, 2008).

All organizations are created for one purpose and that is to achieve the long term and Short-term objectives of their stakeholders (Bradmore, 1996). To achieve these goals and objectives, most organisations use their strategic planning in order to select the right strategies and manage the internal and external environment. The planning also allows them to identify their competitive advantage and decide how to adapt to the changes in environmental conditions and government policies (Bradmore, 1996 and Porter, 1980 and 1985). To measure the changes of strategic planning within organisations, strategic evaluation must be done.

Strategic planning usually involves all departments of the organisation and is often a fundamental part of the strategic management processes. Strategic planning often leads to major changes in the way an organisation is managed and operated. This change is aimed at management excellence and an organisation must exhibit such
excellence in execution of strategy because, the results of strategic planning through evaluation and control can affect the wellbeing or the failure of the organisation. Strategic evaluation therefore is a way for businesses to evaluate the health and productivity of their company and their future endeavours. Typically, strategic evaluations attempt to see past the obvious factors that influence short-term plans, and seek a more-dynamic study of the trends that will dictate the future success or failure of the company. Like a chess match, strategic evaluation succeeds when organisations are able to accurately analyse and predict several moves ahead into the future, in order to best tailor their present policies (Glueck et al, 1984 and 1988).

1.1.2 Evaluation and Control

Strategy evaluation and control actions include performance measurements, consistent review of internal and external issues and making corrective actions when necessary. Any successful evaluation of the strategy begins with defining the parameters to be measured. These parameters should mirror the goals of an organization. The organization needs to determine its progress by measuring the actual results versus the plan. Monitoring internal and external issues will also enable the organization to react to any substantial change in its business environment (Coulter, 2005).

If the organization determines that the strategy is not moving it towards its goal, corrective actions are taken. If those actions are not successful, then repeat of the strategic management process is necessary. Because internal and external issues are constantly evolving, any data gained in this stage should be retained to help with any future strategies (Lamb, 1984).

1.1.3 State Corporations

Parastatals or state corporations are businesses that are owned and managed by the government. This definition comports with that given by section 2 of the State Corporations Act, which defines a state corporation as a body that is defined that way by statute, it can be a corporate body established by an Act of parliament or a bank or other financial institution or other company whose shares or a majority of whose shares are owned by government or by another State Corporation, and it can also be a subsidiary of a state corporation.
The Kenya government forms parastatals to meet both commercial and social goals. Some parastatals exist to correct for market failure. This is the case, where, for instance, the service they give cannot be profitably provided by the private investors. Sometimes they exist to meet explicit social and political objectives e.g. provide education, health or even redistribute income or develop marginal areas (State Corporations Act, 1987)

Following the launch of Vision 2030 whose objective is to transform Kenya into a middle income economy by 2030, the main agenda of all Government Ministries/Institutions is to improve their performance in delivering targeted “Results for Kenyans” as spelt out in their different organisational strategic plans and performance contracts (GOK, 2005).

An efficient public service is one of the major foundations of the vision. The government of Kenya is committed to building a public service that is citizen-focused and results-oriented, a process whose achievements so far have received international recognition and awards. The Government is intensifying efforts to bring about an attitudinal change in public service that values transparency and accountability to the citizens of Kenya. Results based management and performance contracting in public organisations is pegged to the implementation of the Vision’s goals, making it easier to reward public servants on merit and performance. Reforms in the public service will further enhance strategic planning in government, continuous improvement, and stakeholder engagement (www.vision2030.go.ke).

As demands for greater accountability and real results have increased, there is an attendant need for enhanced results based monitoring, evaluation and control of policies, programs and projects (Sharp, 2001). Evaluation and control is a powerful management tool that can be used to improve the way government organizations and in particular parastatals achieve results. Just as institutions need financial, human resources and accountability systems, parastatals also need good performance feedback systems. Organizations may successfully implement programs or policies but the big question is, “have they produced the actual, intended results? Have they truly delivered the promises made to their stakeholders? It is not enough to implement a strategic plan and assume that successful implementation is equivalent to actual achievement of the vision and mission. One must examine outcomes and pacts. The
introduction of evaluation and control system takes decision makers a step further in assessing whether and how goals are being achieved over time (Mayne and Zapic-Goni, 1997).

Kenyan public organisations need to ensure that they have a well-considered strategic management plan in place; that they are collecting the right information through their evaluation and control systems; and that they make adjustments to their plan through analyzing and improving performance. A robust strategic management system, together with a comprehensive measurement solution, offers significant advantages to public sector organisations in delivering improved corporate performance.

The new government of Kenya that was unveiled recently consists of a lean 18 ministries from the former 44 ministries. Among this is the ministry of industrialisation and enterprise development under which the Kenya Bureau of Standards (KEBS) which is the organisation the research study is based.

1.1.4 Kenya Bureau of Standards

The Kenya Bureau of Standards (KEBS) is a government agency responsible for governing and maintaining the standards and practices of metrology in Kenya. It was established by an Act of parliament of Kenya's National Assembly, The Standard Act, and Chapter 496 of the Laws of Kenya. The Bureau started its operations in July 1974. It has its headquarters in Nairobi and several regional offices in the country. The KEBS Board of Directors, also known as the National Standards Council ("NSC") is mandated to make policies for supervising and controlling the administration and financial management of the Bureau. The Bureau's chief executive doubles as the Managing Director (www.kebs.org).

The aims and objectives of KEBS include preparation of standards relating to conformity assessment activities namely; products, measurements, materials, processes, etc. and their promotion at national, regional and international levels; certification of industrial products; assistance in the production of quality goods; quality inspection of imports at ports of entry; improvement of measurement accuracies and dissemination of information relating to standards. To keep close liaison with and render efficient service to industry, trade and commerce in different parts of the country, KEBS has opened Regional Offices in Mombasa, Kisumu
, Nakuru, Garissa, Nyeri and has import inspection offices at all the legal points of entry in Kenya. KEBS is a member of the International Organization for Standardization (ISO) (www.kebs.org) Strategic planning at KEBS started with the launch of the first strategic plan 2002-2007. The second strategic plan was 2008-2012, KEBS has now unveiled the 3rd strategic plan 2013-2017.

1.2 Research Problem

The basic premise of strategic management is that the chosen strategy will achieve the organisation’s mission and objectives. Strategy is a plan of action designed to achieve a particular goal. Strategic evaluation is a way for businesses to evaluate the health and productivity of an organisation and their future endeavors. Typically, strategic evaluations attempt to see past the obvious factors that influence short-term plans, and seek a more-dynamic study of the trends that will dictate the future success or failure of the company. Like a chess match, strategic evaluation succeeds when organisations are able to accurately analyze and predict several moves ahead into the future, in order to best tailor their present policies (Thompson, 1997; Glueck et al 1984, 1988). The evaluation of strategy can be considered from three different related elements of strategy which are; an evaluation of the extent to which the strategy has been implemented and is embedded in the organization; an evaluation of the assumptions underpinning the strategy; and an evaluation of the influence the strategy has on those who use the organisations services.

In the past few years, most of the public organizations did not embrace strategic planning. However, in the current environment, it has become necessary to have a strategy that will lead the organisation in attaining its mission and vision. With the expectation of transforming Kenya into a middle income earning country by 2030, the level of industrialization is expected to increase. This will mean increased tasks to KEBS as well. With the mandate of ensuring quality standards of products reach the market, there is need to have improved ways of implementation and service delivery as time goes by. This calls for evaluation and control of the strategy laid out for KEBS. Over the past 11 years Kenya Bureau of Standards (KEBS) has been undertaking several reforms and modernization programmes all geared towards improvement of service delivery and rationalizing of its strategic transformation.
KEBS’s operating environment has become very challenging with each successive strategic planning period. Shortfalls in revenue collection, proliferation of substandard products, counterfeit products, smuggling of goods, delayed turnaround times at points of entry, itself corruption, government interference, stiff competition from private conformity assessment bodies etc. are but a few challenges. In order for KEBS to adjust its strategies to respond effectively to the operating environment, there is need to control the strategy implementation and evaluate how well the strategies are being implemented. In addition the impact of strategy evaluation and control on reducing the myriad of problems as above experienced by KEBS will be investigated. This will require an evaluation of the strategic management processes at KEBS right from Conception/ formulation of strategy, to implementation and finally to control and evaluation. The ensuing results will help establish how the whole process has enabled KEBS to achieve its mandate (KEBS Strategic plan, 2012).

In seeking to achieve strategic objectives as outlined in successive strategic plans KEBS has adjusted in a number of ways for instance merging of departments, automation, opening of regional offices, achieving international recognition through accreditation of its conformity assessment activities, rebranding of its corporate image and performance partnering with stakeholders (KEBS Strategic plan, 2012).

Evaluation and control has got attention from a number of organisations leading to studies being carried out over the years to include evaluation and control for instance Mutune (2010) and Wanyama (2010) studied the evaluation of customer and Revenue strategy framework adopted at the Kenya Revenue Authority and found that the main factors hindering strategy evaluation and control is lack of resources, resistance to change, an increasingly enlightened public, lack of staff skills and supporting infrastructure. the study recommends that more studies to be done in this area to increase the body of knowledge and Chelimo (2010) studied evaluation and control of strategy the National Social Security fund (NSSF) found that NSSF needs to benchmark with similar organisations so as to use the best practice in the industry, he recommended further research to be undertaken in the area of evaluation and control of strategy in various organisations so as to develop best practices and build
competent strategic management practices in the public sector. Ngumi (2010) studied the evaluation of strategy in Kenya Civil aviation authority and found the challenges similar to those experienced at NSSF. KEBS is a regulator whose mandate is to ensure conformance of products to standard requirements so as to facilitate trade and falls under the ministry of Industrialization and enterprise development.

There are few studies that have been conducted on evaluation of strategy in the Kenya conformance assessment industry and specifically KEBS. The study therefore aims to bridge the gap by establishing the strategy evaluation and control practices at KEBS. What are the strategy evaluation and control practices at Kenya Bureau Standards (KEBS)?

1.3 Research Objective

The objectives of this study are to:

- To identify the strategic evaluation and control practices at KEBS
- To identify the challenges involved in implementation of the established strategy evaluation and control practices.

1.4 Value of the Study

The study is very valuable to the strategic management practice in KEBS as it seeks to provide vital information about strategic evaluation and control processes, its advantages and challenges. This in turn, will help the KEBS management to determine possible actions to take in improving implementation of strategic objectives to meet the current economic requirements. It will also serve to inform both current and future strategy formulation, implementation and evaluation by KEBS. In addition other stakeholders e.g. Clients of KEBS, the government of Kenya and other collaborating institutions whose interest is receiving efficient, effective and quality service will benefit.

The study is also important to the management of public corporations as its documentation and evaluation of strategy evaluation and control practices at KEBS will serve as a reference point for similar and related studies in the public sector. In
promoting positive competitions among different corporations as it will give vital information to how an organization will produce its product offerings, together with the basis as to how it will act within a market structure, and relative to its competitors. It is also aimed at increasing the body of knowledge in this area of strategic management.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter examines previous work that has been done on strategy evaluation. It will examine the theories behind strategy evaluation and a summary of studies done by other scholars in relation to this topic.

2.2 Theoretical Framework

Neuman (2010) defines a theory in terms of the interconnected ideas that condense and organize knowledge about the world. Specifically, this sub-section briefly examines the Mintzberg 5P’s strategy, stakeholder theory, strategic choice theory, management by objectives, systems theory and competitive advantage theories of strategic management.

2.2.1 Mintzberg’s 5 Ps of Strategy

Mintzberg (1991) sees strategy as 5 P’s – plans, ploys, patterns, position and perspective. He describes a plan as ‘some sort of consciously intended course of action’. In this situation organizations are expected to decide what they want to do and how they intend to achieve it. Failure of many organizations to achieve organisational objectives in recent time has been attributed to poor plan. A ploy is a sub-set of a plan, and is a strategy in the sense of a strategies (i.e. a ruse or trick designed to put a rival company off the sent by disguising the real intention of the company). Mintzberg (1991) describes pattern as the consistent behaviour and processes that emerge from strategic thinking, due to intended or unintended actions. He sees plans and ploys as deliberate strategy use by an organization, but considers pattern as emergent strategies.

According to Mintzberg (1991) position is acceptable location for the organization in an environment. In business organization position boils down to its product market position in its chosen market. Perspective is looking inside the organization. Any of business organization with high degree of perspective approach will have management that have shared view and vision and make a positive impact on the
environment where it operates. Strategy is needed to focus effort and promote coordination of activities. Without strategy an organization becomes bunch of individuals, hence strategy is required to ensure collective actions and concentration of efforts towards achieving organizational plans and objective.

### 2.2.2 Management by Objectives

Peter Drucker, a pioneer in strategic management, emphasized the strategic importance of organizational objectives. He developed his famous theory called “management by objectives (MBO) in the early 1950s. Any firm should clarify its objectives, according to his theoretical approach. Otherwise the organization would face difficulties in developing and implementing a certain strategic direction. The organization should, firstly, develop a set of clear objectives and, then, articulate the entire organizational activity according to these objectives.

Management by objective depicts management system in which the objectives of an organization are agreed upon so that management and employees understand a common way forward. Management by objectives aims to serve as a basis for greater efficiency through systematic procedures, greater employee motivation and commitment through participation in the planning process, and planning for results instead of planning just for work. In management by objectives practice, specific objectives are determined jointly by managers and their subordinates, progress toward agreed-upon objectives is periodically reviewed, end results are evaluated, and rewards are allocated on the basis of the progress. The objectives must meet five criteria: they must be arranged in order of their importance, expressed quantitatively, wherever possible, realistic, consistent with the organization's policies, and compatible with one another.

### 2.2.3 Systems Theory

A system is a set of inter-connected and inter-related elements directed to achieve certain goals. This theory views organisation as an organic and open system composed of many sub-systems. As a system organisation is composed of a number of sub-systems viz. production, supportive, maintenance, adaptive managerial,
individuals and informal groups. All these sub-systems operate in an interdependent and interactional relationship. The various subsystems or parts of an organisation are linked with each other through communication, decisions, authority responsibility relationships, objectives, policies, procedures and other aspects of coordinating mechanism. Organisations as systems have a variety of goals. The important among them are survival, integration and adaptation with environment and growth.

2.2.4. Stakeholder Theory

The stakeholder theory adopts a different approach. It starts from the premise that organisations serve a broader social purpose than merely maximizing the wealth of shareholders, although Clarkson (1995) argues that the purpose of organisations is to create wealth for their stakeholders. The stakeholder theory holds that corporations are social entities that affect the welfare of many stakeholders where stakeholders are groups or individuals that interact with a firm and that affect or are affected by the achievement of the firm’s objectives (Donaldson & Preston, 1995). Successful organisations are judged by their ability to add value for all their stakeholders. Some scholars, such as Starik and Rands (1995), consider the natural environment as a key stakeholder. Further, the ability to successfully interact with the external environment, in line with the resource dependency theory, can be a source of competitive advantage for a firm. According to Freeman and Reed (1983), the term stakeholder can be used in a wide or narrow sense.

The wider sense of its use implies any group or individual that is affected or affects the achievement of a firm’s objectives. Used in this sense, stakeholders would include public interest groups, trade associations, employees, customers, shareholders and competitors. The narrow use of the terminology limits stakeholders to identifiable groups or individuals on which a firm depends for its continued survival. In this case, stakeholders would include employees, customer segments, specific suppliers, key government agencies, shareholders and particular financial institutions.

Stakeholders can be instrumental to corporate success and have moral and legal rights (Donaldson & Preston, 1995). When stakeholders get what they want from a firm, they return to the firm for more. Therefore, corporate leaders have to consider the welfare
of stakeholders when making decisions. Participation of stakeholders in corporate decision-making can enhance efficiency and reduce conflicts. Corporations adopt reactive or proactive approaches when integrating stakeholders’ concerns in decision making. A corporation adopts a reactive approach when it does not integrate stakeholders into its corporate decision making processes. This results in a misalignment of organisational goals and stakeholder demands.

2.2.5 Strategic Choice Theory

An organization strategic management has its ultimate objective in the development of its corporate values, managerial capabilities, organizational responsibilities and operational decision making at all hierarchical levels and across all business and functional lines of authority. According to Child (1972) strategic decision making is seen as a crucial part of the process by which organization adapt to their environments. It is argued that those decision that actually succeed in creating or changing organizations do so via complex iterative process, which strategy theorists subsume under the concept of strategy implementation, evaluation and control.

Strategic Choice Theory describes the role that leaders or leading groups play in influencing an organization through making choices in a dynamic political process. Previous to this theory, a common view was that organizations were thought to be designed along operational requirements based on the external environment. Strategic choice theory provided an alternative that emphasized the agency of individuals and groups within organizations to make choices, sometimes serving their own ends that dynamically influenced the development of those organizations. These strategic choices formed part of an organizational learning process that adapted to the external environment as well as the internal political situation.

2.2.6 Cultural Perspective

Johnson and Scholes (1993) view corporate strategy from cultural perspective, they described it as a strategy based on the experiences, assumptions and beliefs of management overtime and which may eventually permeate the whole organization.
Henceforth, strategy can help in defining an organization to both insiders and outsiders. Strategy as plan, ploy pattern, position and perspectives defines the organization by providing proper understanding of the organization to the people and a way of differentiating it from others. One needs to understand that a clearly defined strategy that will lead to enthusiasm among various stakeholders – shareholders, suppliers, creditors, customers, promoter and employees as a result promote commitment that will enhance better performance of business organization.

2.2.7 Competitive Advantage

Strategy provides consistency and stability. It deals with irregularity in behaviour and reduces uncertainty about the operation of an organization. It resists changes thereby ensuring consistency which gives a sense of being in control to the management and relief from the anxiety created by complexity. This does not mean a static or stationary situation but rather it implies an efficient response to the environment to ensure stability and continual domination or retention of market leadership by the business organization involved. This assists the organization to focus its resources and exploit its opportunities, skill and knowledge to the fullest. Strategy is a broad based formula for how business is going to compete (Porter 1980), that is, what its goal should be, and what policies will be needed to carry out these goals.

Porter argues that competitive strategy is “about being different.” He adds, “It means deliberately choosing a different set of activities to deliver a unique mix of value.” In short, Porter argues that strategy is about competitive position, about differentiating yourself in the eyes of the customer, about adding value through a mix of activities different from those used by competitors. In his earlier book, Porter defines competitive strategy as “a combination of the ends (goals) for which the firm is striving and the means (policies) by which it is seeking to get there.” Thus, Porter seems to embrace strategy as both plan and position. (It should be noted that Porter writes about competitive strategy, not about strategy in general.)

Michael Porter proposes two “generic” competitive strategies for outperforming other corporations in a particular industry: lower cost and differentiation. These strategies are called generic because they can be pursued by any type or size of business firm,
even by not-for-profit organizations; Lower cost strategy is the ability of a company or a business unit to design, produce, and market a comparable product more efficiently than its competitors and the Differentiation strategy is the ability of a company to provide unique and superior value to the buyer in terms of product quality, special features, or after-sale service. Porter further proposes that a firm’s competitive advantage in an industry is determined by its competitive scope, that is, the breadth of the company’s or business unit’s target market.

2.2.8 Applicability of Theories to Strategy Evaluation and Control

The term ‘strategy’ has been so widely used for different purposes. Strategy is defined as the direction and scope of an organization over the long-term: which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations (Johnson and Scholes, 1999). Mintzberg’s 5Ps of management insinuates that particular policies, plans, and objectives of a business express its strategy for coping with complex competitive environment (Lamb, 1984). Michael porter’s theory of competitive advantage is also relevant as it presents that strategy should be developed so as to have an edge over competitors e.g. by differentiation strategies or cost leadership. This can only be confirmed through a process of evaluation of chosen strategies.

Strategic management is an ongoing process that assesses the business and the industries in which the company is involved; assesses its competitors and sets goals and strategies to meet all existing and potential competitors; and then reassesses each strategy annually or quarterly (i.e. regularly) to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors, a new economic environment., or a new social, financial, or political environment (Lamb, 1984). The stakeholders theory also holds in this regard as stakeholder need to be involved in strategy formulation and lastly during strategy evaluation so as to give feedback on the successes and failures of the implemented strategy. The culture of an organisation will also determine if a strategy will succeed or fail. It is important to understand the people whom the strategy is developed for so as to gauge if the chosen strategy fits into the culture of the organisation.
The strategic management theories above suggest that strategy and market positions are necessary to set directions for a firm and to outsmart competitors or at least enable it to overcome threatening environment. A good strategy when adequately implemented can ensure a topmost position for the weakest firm among other superior competitors, but without good strategies. A business strategy will fit within one of the four broad criteria as conceptualized by Rumelt, (2009). A strategy should be consistent thus must not present mutually inconsistent goals and policies. It should have Consonance thus must represent an adaptive response to the external environment and to the critical changes occurring within it. It must provide advantage therefore must provide for the creation and/or maintenance of a competitive advantage in the selected area of activity and a strategy should be feasible thus must neither overtax available resources nor create unsolvable sub problems.

A strategy that fails to meet one or more of these criteria is strongly suspect. It fails to perform at least one of the key functions that are necessary for the survival of the business. Experience within a particular industry or other setting will permit the analyst to sharpen these criteria and add others that are appropriate to the situation at hand.

### 2.3 Strategy Evaluation and Control

Mintzberg (1994) describes implementation as the process of proselytizing deliberate and emergent strategy into realized strategy. Hill and Jones (1998), define strategy implementation as the way in which a company creates formal arrangements that allow it to pursue its strategy effectively. Organisations move into the future by decisions and actions. As noted by Poister and Strieb (1999), plans need to be implemented in a very purposeful way otherwise strategies will not take hold, no matter how compelling and inspiring the planning process. Strategy implementation is the translation of chosen strategy into organizational action so as to achieve strategic goals and objectives.

Strategy implementation is also defined as the manner in which an organization should develop, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and a better performance. Strategy implementation is the action phase of the strategic management
process. It requires strategic objectives to be met are clearly set up and that responsibility and resources are correctly allocated to achieve this. Successful implementation of strategic plans requires an assessment of organisation capacities in areas like managerial capability, power structure, culture, leadership and organisational structure (Vinzant and Vinzant, 1996b). Programs, projects and service delivery systems are often vehicles used for implementation of strategic plans (Poister and Streib, 1999).

Poor implementation of appropriate strategy will cause strategy to fail. An excellent implementation plan will not only cause the success of an appropriate strategy, but can also rescue an inappropriate strategy (Wheelen and Hunger, 2008). At times uncontrollable factors such as the external environment can have adverse effects on the implementation of strategic decisions (Alexander, 1985).

2.3.1 Strategy Evaluation

Strategy can neither be formulated nor adjusted to changing circumstances without a process of strategy evaluation. Whether performed by an individual or as part of an organizational review procedure, strategy evaluation forms an essential step in the process of guiding an enterprise. Strategy evaluation involves "examining how the strategy has been implemented as well as the outcomes of the strategy" (Coulter, 2005, p. 8).

The final stage in strategic management is strategy evaluation and control. Strategic management evaluation is the process by which organizations put in place measurement processes to evaluate their performance in key areas. The best formulated and implemented strategies become obsolete as a firm’s external and internal environments change. It is essential, therefore, that strategists systematically review, evaluate, and control the execution of strategies (Poister and Strieb, 1999)

All strategies are therefore subject to future modification because internal and external factors are constantly changing. In the strategy evaluation and control process organisations have to determine whether the chosen strategy is achieving organisations objectives. The fundamental strategy evaluation and control activities are: reviewing internal and external factors that are the bases for current strategies,
measuring performance, and taking corrective actions

**Figure 1: The process of strategy evaluation and control**

![Diagram of the process of strategy evaluation and control](image)


For many executives strategy evaluation is simply an appraisal of how well a business performs. Has it grown? Is the profit rate normal or better? If the answers to these questions are affirmative, it is argued that the firm’s strategy must be sound. Despite its unassailable simplicity, this line of reasoning misses the whole point of strategy—that the critical factors determining the quality of long-term results are often not directly observable or simply measured, and that by the time strategic opportunities or threats do directly affect operating results, it may well be too late for an effective response. Thus, strategy evaluation is an attempt to look beyond the obvious facts regarding the short-term health of a business and appraise instead those more fundamental factors and trends that govern success in the chosen field of endeavour (Coulter, 2005).

The process of Strategy Evaluation consists of various steps. While fixing the benchmark (Determining what to measure), strategists encounter questions such as - what benchmarks to set, how to set them and how to express them. In order to determine the benchmark performance to be set, it is essential to discover the special requirements for performing the main task. The performance indicator that best identify and express the special requirements might then be determined to be used for evaluation (i.e. establish predetermined standards). Organisations can use both
quantitative and qualitative criteria for comprehensive assessment of performance. Quantitative criteria include determination of net profit, Return on investments (ROI), earning per share, cost of production, rate of employee turnover etc. Among the Qualitative factors are subjective evaluation of factors such as - skills and competencies, risk taking potential, flexibility etc. (Schmidt, 1998)

The standard performance is a benchmark with which the actual performance is to be compared. The reporting and communication system help in measuring the performance. If appropriate means are available for measuring the performance and if the standards are set in the right manner, strategy evaluation becomes easier. But various factors such as supervisors’ contribution are difficult to measure. Similarly divisional performance is sometimes difficult to measure as compared to individual performance. Thus, variable objectives must be created against which measurement of performance can be done. The measurement must be done at right time else evaluation will not meet its purpose. For measuring the performance, financial statements like - balance sheet, profit and loss account must be prepared on an annual basis (Schmidt, 1998).

While measuring the actual performance and comparing it with standard performance there may be variances which must be analyzed. The strategists must mention the degree of tolerance limits between which the variance between actual and standard performance may be accepted. The positive deviation indicates a better performance but it is quite unusual exceeding the target always. The negative deviation is an issue of concern because it indicates a shortfall in performance. Thus in this case the strategists must discover the causes of deviation and must take corrective action to overcome it.

Once the deviation in performance is identified, it is essential to plan for a corrective action. If the performance is consistently less than the desired performance, the strategists must carry a detailed analysis of the factors responsible for such performance. If the strategists discover that organisational potential does not match with the performance requirements, then the standards must be lowered. Another rare and drastic corrective action is reformulating the strategy which requires going back to the process of strategic management, reframing of plans according to new resource
allocation trend and consequent means going to the beginning point of strategic management process (www.managementstudyguide.com)

Strategic management evaluation is the process by which organizations put in place measurement processes to evaluate their performance in key areas. The value of strategic planning is not, of course, in the planning but in the execution of the plan and the plan's effectiveness. Once a plan is developed, individuals will be assigned accountability for plan elements, metrics of performance will be established based on goals and objectives, and regular reporting periods will provide an opportunity to assess the effectiveness of the plan. Evaluation and Control ensures that a company is achieving what it set out to accomplish by comparing performance with desired results and taking corrective action as needed (Coulter, 2005).

The Balanced Scorecard (BSC) is a concept that combines financial and non-financial measures, short-term and long-term goals, KEBS's market performance and internal improvements, past outputs, and ongoing requirements. The BSC framework considers the customer perspective. The BSC is useful as a tool for strategic performance control and strategic learning (Kaplan & Norton, 2000)

2.3.2 Strategy Control

Strategy control is concerned with tracking the strategy as it is being implemented, detecting problems or changes in underlying premises and making necessary adjustments. It is concerned with controlling and guiding efforts on behalf of the strategy as action is taking place and while the end results is still several years into the future. Strategic control gives direction to the firm by correcting actions and directions of the firm in implementing its strategy as developments and changes in its environment and internal situations take place. Eden and Ackermann (1993) note that strategy is only of any value if it’s built on a firm founding assumptions regarding how to manage organisations strategic future. If assumptions are wrong then there is no basis for strategic management, for there can be no intervention without a theory of strategy. Roush and Ball (1980) suggest that the frequently, strategy implementation problems have stemmed from failures of control systems.

Traditional approaches have emphasised on the setting of predetermined standards, performing the work, getting the feedback by measuring actual performance and
comparing to predetermined standards, then taking any necessary corrective actions. Such post action control implies waiting for strategy to be executed before any feedback is got on how well strategy is working. As this might take several years, the opportunity to take corrective actions to alter the direction in the light of changes in the internal or external environment of organisation may be left until too late.

Vinzant and Vinzant, (1996a) assert that strategy control and evaluation processes provide performance feedback during the implementation of strategic plans. They note that the two activities ensure corrections can be made in the course of strategy implementation, as necessary. Streib and Poister (1990) argue that “apart from implementation of strategic goals and objectives, the key issue in the development of strategic management is the ability to monitor plans and pinpoint any significant deviations” (Preble, 1992) blames the classical control processes as having contributed to this situation because they are designed as feedback systems that detect problems and deviations from planned results only after they have already occurred. In addition, the standards to which measurements are compared are assumed to be correct.

2.4 Extent of Strategy Evaluation in Measuring Strategic Objectives

Strategy evaluation can take place as an abstract analytic task, perhaps performed by consultants. But most often it is an integral performance part of an organization's processes of planning, review, and control. In some organizations, evaluation is informal, only occasional, brief, and cursory. Others have created elaborate systems containing formal periodic strategy review sessions (Rumelt, 1993). In either case, the quality of strategy evaluation and, ultimately, the quality of corporate performance, will be determined more by organisational capacity for self-appraisal and learning than by the particular analytic technique employed.

In a study of organizational learning, Argyris and Schon (1978) distinguish between single loop and double-loop learning. They argue that normal organizational learning is of the feedback-control type-deviations between expected and actual performance lead to problem solving which brings the system back under control. They note that (Single-loop learning) is concerned primarily with effectiveness—that is, with how best
to achieve existing goals and objectives and how best to keep organizational performance within the range specified by existing norms. In some cases, however, error correction requires a learning cycle in which organizational norms themselves are modified. We call this sort of learning "double-loop." There is a double feedback loop which connects the detection of error not only to strategies and assumptions for effective performance but to the very norms which define effective performance.

These ideas parallel those of Ashby, a cyberneticist. Ashby (1954) has argued that all feedback systems require more than single-loop error control for stability; they also need a way of monitoring certain critical variables and changing the system "goals" when old control methods are no longer working. Rumelt (1993) notes that above viewpoints help to remind us that the real strategic processes in any organization are not found by looking at those things that happen to be labelled "strategic" or "long range." Rather, the real components of the strategic process are, by definition, those activities which most strongly affect the selection and modification of objectives and which influence the irreversible commitment of important resources. They also suggest that appropriate methods of strategy evaluation cannot be specified in abstract terms. Instead, an organization's approach to evaluation must fit its strategic posture and work in conjunction with its methods of planning and control.

In most firms comprehensive strategy evaluation is infrequent and, if it occurs, is normally triggered by a change in leadership or financial performance. The fact that comprehensive strategy evaluation is neither a regular event nor part of a formal system tends to be deplored by some theorists, but there are several good reasons for this state of affairs (Rumelt, 1993). Most obviously, any activity that becomes an annual procedure is bound to become more automatic. While evaluating strategy on an annual basis might lead to some sorts of efficiencies in data collection and analysis, it would also tend to strongly channel the types of questions asked and inhibit broad-ranging reflection.

Second, a good strategy does not need constant reformulation. It is a framework for continuing problem solving, not the problem solving itself. One senior executive expressed it this way: "If you play from strength you don't always need to be rethinking the whole plan; you can concentrate on details. So when you see us talking
about slight changes in tooling it isn't because we forgot the big picture, it's because we took care of it." (Rumelt, 1993). The quality of strategic management is also strongly influenced by the kind of objectives that are set (Rumelt, 1993). The issue here is not the traditional one of whether objectives should be "hard" or "easy" but the question of what variables are made into objectives in the first place. Most management control systems have evolved out of statement of accounts and provide little, if any, help in evaluating the strategic position of the business.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter gives an outline of the methods that the researcher used in carrying out the study. The chapter outlines the various stages and phases that were followed in completing the study. It covers research design, population and sampling methods, data collection and data analysis and presentation.

3.2 Research Design

Selltiz et. al. (1976 Pg. 90) defined a research design as the arrangement of conditions for the collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. It follows therefore that research designs will differ depending on the purpose of the research.

A case study approach to evaluating the strategy evaluation and control practices at Kenya Bureau of Standards was undertaken. According to Young, (1960) a case study is a comprehensive study of a social unit be it a Person, A social institution, a district or a community case” Case study method is a technique in depth rather than breadth and places more emphasis on full analysis of limited number of events and conditions and their interrelationships. It is essentially an intensive investigation of a particular unit under consideration. The object of the case study is to locate the factors that account for behavior performance patterns of a given unit as an integrated totality (Kothari, 2004). The case study method was useful in leveraging understanding of, for example, organizational social phenomena, such as strategic management evaluation and control process. The research areas were presented in realistic and actual ways by introducing the relevant facts Roper & Millar, (1999) and opinions, but also by learning from differences Ellet, (2007). Although case studies are usually relevant only for a few years Roper & Millar, (1999) the nature of this Thesis is not too time critical. Organizational capabilities and especially work culture positions will not change overnight.

This method is the best options as it involves in-depth investigation of the overall strategy evaluation and control practices at KEBS with a view to evaluate its
sufficiency and effectiveness in enabling KEBS to meet its mandate as articulated in its strategic plan. Others who have used this approach include Mutune (2010) and Chelimo (2010) who evaluate strategies evaluation practices at KRA and NSSF respectively.

3.3 Data Collection

This study being a descriptive study relied on primary data that was collected from the informants. Data was collected from 21 senior management staff in all key departments in KEBS namely; Quality Assurance and inspection, Testing and calibration, Standards development and international trade, Certification, National Quality Institute and Finance and Administration. The staff in charge of strategy formulation and implementation at KEBS was interviewed as well.

The researcher administered a personal interview guide (Appendix I) which was divided into two sections. Section A that consisted of personal information and section B which covered the strategy evaluation and control practices.

3.4 Data Analysis

Content analysis was used to analyze the qualitative data and find out the strategies used as well as the ways of evaluating them. Content analysis is a process of inspecting, cleaning, transforming and modeling of qualitative data with the goal of highlighting useful information, suggesting conclusions and supporting decision making. This allowed for analytical understanding of meaning from informants information and other documented materials on strategy evaluation and control. Content analysis has multiple faucets and approaches, encompassing diverse techniques under a variety of names, in different business, science and social science domains (Kothari, 2004)

Content analyses mainly derive from qualitative research. A qualitative content analysis is “an approach of empirical, methodological controlled analysis of texts within their context of communication, following content analytical rules and step by step models, without rash quantification” whereas it may be used for all kinds of recorded communication Mayring, (2000). This research was analyzed by means of
the structuring content analysis whereas the technique of structuring with regard to the content was applied. This method was used, because its application appears to be appropriate considering the data received from the interviews and documents. Furthermore, the structured content analysis with regards to content extracts and summarizes a certain content which is essential in interpreting the transcribed interviews.

A full, comprehensive qualitative content analysis would go beyond the scope of this research, which is why a simplified analysis was used. Hence, special coding rules Mayring, (2000) were not implemented in this work, as it did not seem appropriate for the quantity of twenty interviews and a document analysis. Since no predefined categories can be made in this survey, an inductive method was most suitable for analyzing the documents Mayring,(2007). Therefore, the object of research was defined and a first draft formed, where main and subcategories were created. According to this categorization, documents and interview transcripts were worked through for the first time, whereas the categories were examined and if necessary revised newly formulated or combined. Mayring, (2000, 2007)

The first step was to edit raw data to detect, correct errors and omissions where possible. The data was further studied to determine the adequacy, consistency, and usefulness of the information. This process was guided by the objective of the study. Content analysis was used to analyze the data and seek to establish the strategy evaluation and control practices at KEBS. This method helped to identify and extract key themes, concepts and arguments.
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents informants characteristics, discusses Strategy evaluation at KEBS, the findings of strategy evaluation and control practices at KEBS and the challenges that are affecting implementation of the strategy evaluation and control practices.

4.2 Informants

Data was collected using the interview guide administered to informants representing different departments at KEBS which included Testing and Metrology, Quality Assurance and Inspection, Standards Development and international trade, National Quality Institute, Finance and administration, Certification and the systems improvement unit, a unit is tasked with implementation of the strategic plan and performance management. All the 21 informants were top management in the various departments tasked with making sure that devised strategies were implemented in their departments. Most of the informants had been in the organization for more than 10 years and their education status were degree holders and above thus was able to articulate issues relating to strategy evaluation and control practices.

4.3 Evaluation and Control Practices at KEBS

Monitoring and evaluation is important in any organisations performance management. It is geared to measure gains made from specific programmes. KEBS monitoring and evaluation framework is based on various goals, strategies, outcomes, specific outputs that KEBS hopes to achieve. All informants stated that they were aware of the various practices developed by KEBS to evaluate and control of strategy. This was mainly as related to their various departments. The mandates of the various departments were examined and how they contribute to the overall attainment of goals and objectives. It was observed that KEBS has a corporate strategy evaluation framework which follows the National monitoring and evaluation system guidelines designed for each result area and show the goals, purpose, outputs and output indicators. The informants also said that the organization uses the balanced scorecard,
KEBS makes strategic decisions (implementation action plans) based upon the strategic plan. KEBS clearly assigns lead responsibility for action plan implementation to departmental teams. The informants thought that sufficient resources are allocated for implementation. KEBS sets clearly defined and measurable performance standards for each plan element and has developed an organized system for monitoring how well those performance standards are met. These are through Quarterly appraisals and reviews of implementation of the performance contract. KEBS reviews monitoring data regularly, and revise strategic decisions as appropriate. These are based on findings from quarterly reviews. This however is not done on time as have to wait for a whole performance management cycle before any changes to strategy are effected. The government does not allow changes in signed performance contracts midway in the process thus a cycle has to end before an organization defends any changes required.

Individuals responsible for strategic planning and implementation in the various departments are not rewarded for successful performance although this is set to start this year (2013). Performance results cannot be pinpointed by area, unit, project, or function and the information is not timely. It was also noted that KEBS is using benchmarking and balanced score card to evaluate its functions and activities. Other methods used include customer satisfaction surveys and feedback from clients.

KEBS has developed a set of key performance indicators in all departments to track the success of strategic initiatives. Accountability for the implementation of the targets is set as all staff have to negotiate and agree with their accounting officers on the targets. KEBS ongoing evaluation practices as it relates to strategic initiatives is mainly done through performance evaluation using the balanced score cards and checking of performance as per the performance contracts signed with the government. These are the ways that KEBS uses to identify corrective action when strategic initiatives are failing or could be improved.
It is however noted that KEBS response time, after they acknowledge that a strategic initiative is failing is slow. The effectiveness of KEBS at evaluating the department of changes subsequent to initial strategy formulation is not up to standard. Little attention is paid to abandoning, adjusting or developing new strategies subsequent to evaluation of the initial strategies by the strategy team as they see that they have already signed the performance contracts with the government and they can only adjust the targets during negotiation in the next financial year after an anomaly has been noted.

KEBS does not have access to the adequate financial resources that are needed to carry out its activities as it depends on the government’s budgetary allocations and KEBS internally generated funding coming mainly from the standards levy and quality import inspection fees. This accounts for about ninety (90) percent of the total revenue. Other sources of revenue include calibration, testing, certification and accreditation fees, sale of standards, income from investments and training/consultancy charges; which account for about ten percent (10%). The 90% reliance on two sources of income may expose KEBS to severe financial limitation in the event that the sources are interfered with. The import inspection levy may be unreliable in the long run if the provision of import inspection services is subjected to open tender processes because there is no guarantee that KEBS will always be the best evaluated tenderer. These finances are required so as to implement the stated goals and objectives. In recent years the government budgetary allocation has been reducing each financial year putting a strain on KEBS resources.

It was noted that KEBS does not possess adequate problem-solving capabilities to carry out the strategy mainly due to lack of training and also because of other factors outside the control of KEBS. Achievement of strategic goals and objectives does not challenge neither motivate personnel in mainly because achievement of targets does not elicit any rewards or recommendations. Most of the informants explained their level of participation in strategy evaluation as medium. The informants unanimously agreed that the chosen strategic management model was relevant and suitable for KEBS and that the organization was committed that strategic Management as the model of choice.
Adequate Control Measures are in Place to Ensure Conformance with the Recommended Strategic Plan and appropriate standards and measures being used. However there are no reward systems in place capable of recognizing and rewarding good performance. Monitoring and evaluation is important in any organisations performance management. It is geared to measure gains made from specific programmes. KEBS monitoring and evaluation framework incorporates the requirements of National monitoring and evaluation system guidelines. And is based on various goals, strategies, outcomes, specific outputs that the organisations hopes to achieve.

KEBS’s current practices as they relate to the ongoing evaluation of strategic initiatives include the use of the balanced score card and benchmarking and the performance contract to evaluate strategic plan implementation. However the organization’s performance in communicating evaluation results to the staff is not good as these take time to be done. Normally only underperformance is reported and good results are not communicated back.

Benchmarking was used to gather additional business information in and this is used to reduce information asymmetry in the business environment and consequently minimize the possibility of adverse selection and related costs. The goal of benchmarking is to create knowledge about factors on which the competitive advantages of competitors and other companies are based. The goal is to improve the KEBS long-run competitive advantages, create knowledge about the specifics of strategies used by competitors and other companies that lead to the successful achievement of objectives, to use this knowledge in order to improve the effectiveness of strategies that lead to the realization of strategic objectives in the long run, gain knowledge about the characteristics of planning, designing, executing and controlling various business processes and activities by which competitors and other companies successfully implement set strategies, to improve the efficiency of implementing KEBS strategies in the long run and to create knowledge about competitors’ and other company’s performance in order to assess comparatively the company’s own business performance and to improve the quality of planning strategic objectives. Benchmarking has been integrated with the process of strategic management in such a way that it becomes a component of strategic planning,
controlling and implementing activities. However benchmarking in KEBS has challenges that include finding suitable performance partners, difficulties in comparing data, resource constraints (time, finance and expertise), staff resistance, ignorance/ lack of training, resource constraints, small or negligible gains and information obtained not appropriate for the KEBS use.

Certifications and accreditations to international standard for Quality Management System are practices used as they require KEBS to demonstrate their ability to consistently provide products that meet customer, statutory and regulatory requirements, and to effectively apply the to be universally applicable. These standards are internationally recognized and widely used. In order to receive a certificate, KEBS is audited by an ISO accredited third-party and the maintenance of the certified status is dependent on periodic follow-up audits. Also, the certificate requires regular and purposeful training of the employees of the organisation and regular internal audits. KEBS management system has been certified to ISO 9001:2008 and the testing and calibration laboratories have been accredited to ISO/IEC 17025:2005 in various scopes and the certification department is accredited to ISO/IEC 17021 a standard for the competence of the certification department to offer various certification services.

The use of certifications and accreditations has achieved the anticipated outcomes: better documentation procedures, improved employee training, higher staff motivation, cost reduction, improved customer satisfaction, increased productivity, improvement of work environment, exhibit higher levels of quality leadership, information and analysis, strategic quality planning, human resource development, and quality results. KEBS has consolidated authority with relevant responsibility through document control and operational standardization, and the quality of public service has improved continuously due to internal and external auditing.

However this is costly and time consuming implementation, failure to provide adequate control over documents, to define responsibility and authority for personnel, and to train personnel and excessive bureaucracy too costly, the process has been found to be bureaucratic and not satisfactorily covering the policy making process. Other processes e.g. inspection has also not been accredited.
The study found that KEBS has an ICT strategy that aims to improve performance and evaluation of strategies. Developments in the information technology strategy include the use of document management system, the use of ICT applications/automation and programmes in the various areas e.g. Laboratory information system (LIMS), online functions e.g. booking of cars and use of social media applications e.g. Facebook, Twitter, LinkedIn to get feedback and inform feedback on their various programmes. This has led to cost reduction and time management due to savings in paper and time for performing various process.

Internal audits in KEBS serve various purposes. Some audits assess compliance with laws and regulations. Others measure compliance with KEB’s internal policies and procedures. Strategic audits have helped KEBS to assess whether internal processes are moving in tandem with their strategic goals. Based on audit results, management adjusts operations to maximize progress toward the goals.

The audits normally compare the state of a business as it exists on the day of the audit to the state of the business the way it would have looked and operated had it achieved its goals. The internal auditors prepare a written report that evaluates each functional unit of the business and grades it according to its alignment with the goals. These audits are an ongoing process. KEB’s implements changes/corrective actions based on the audit report, and the auditor team checks in periodically to reevaluate the performance of each unit.

The Strategy Audits also uses the Strategic Risk Management framework to assess strategic risks of the organization and develop countermeasures for managing risk. The challenges here include time commitments, resistance to change, non-cooperating employees and the audits tend to capture the same non-conformances always thus meaningful outcomes are limited. The systems improvement unit uses reports from audits against its annual operational plans to review progress towards meeting the strategic aims and objectives. Therefore, they have to ensure that whoever is doing the work is keeping appropriate records so that progress can be assessed. This will involve, at the implementation stage of the strategic plan, being clear what systems and structures are required. The things needed to be measured give an indication of how well the organisation is doing, hence, the name indication or performance measures. Before completion of the plan the unit needs to agree how and when it will
be monitored and reviewed and what information the Management Committee needs to receive in order to review progress.

When reviewing progress towards achieving the strategic aims and objectives, the performance monitoring unit ensures that activities are kept within the parameters of the agreed strategic aims and objectives, that activities are consistent with organisation’s vision, mission and values and to keep under review internal and external changes which may require changes to the organisation’s strategy or affect their ability to achieve their objectives.

Performance appraisals are a systematic and periodic process that assesses an individual employee’s job performance and productivity in relation to certain pre-established criteria and organizational objectives. To collect performance appraisal data in KEBS, three main methods are used i.e. objective production, personnel, and judgmental evaluation. Judgmental evaluations are the most commonly used with a large variety of evaluation methods Performance appraisals in KEBS are conducted quarterly culminating in a major annual appraisal. Performance appraisal serves to provide feedback to employees, counseling and developing employees, and conveying and discussing compensation, job status, or disciplinary decisions. Performance appraisals are used for goal setting and desired performance reinforcement as KEBS finds it efficient to match individual worker’s goals and performance with organizational goals. Performance appraisals provide room for discussion in the collaboration of these individual and organizational goals KEBS has consolidated authority with relevant responsibility through document control and operational standardization, and the quality of public service has improved continuously due to internal and external auditing is often included in performance management systems. Performance management systems are employed “to manage and align” all of KEBS resources in order to achieve highest possible performance.

Some applications of performance appraisal in KEBS are compensation, performance improvement, promotions, termination, test validation, and more. A central reason for the utilization of performance appraisals is performance improvement (“initially at the level of the individual employee, and ultimately at the level of the organization”). Additionally, performance appraisals aid in the formulation of job criteria and
selection of individuals “who are best suited to perform the required organizational tasks and is also used to guide and monitor employee career development.

While there are many potential benefits of performance appraisal, there are also some potential challenges for example, performance appraisal helps facilitate management-employee communication; however, performance appraisal sometimes result in discontent among staff as many employees tend to be unsatisfied with the performance appraisal process.

Balanced scorecard (BSC) is the management framework used in KEBS for the measurement of organisational performance. It gives a holistic view of the organization by simultaneously looking at four important perspectives (Financial, customer, internal processes, innovation and learning). It is used simultaneously as a tool for strategy development and implementation. The BSC concept suggests that the state of processes of an organisation can be best assessed by taking a “balanced” view across a range of performance measures. It is a conceptual framework that translates KEBS vision into a set of performance indicators distributed among four perspectives: financial, customer, internal business processes and learning and growth. Some indicators are maintained to measure the organisation’s progress towards achieving its vision; other indicators are maintained to measure the long-term drivers of success, thus acting as a performance management system. Through the BSC, KEBS monitors both its current performance, and its efforts to improve processes, motivate and educate employees, and enhance information systems – that is its ability to learn and improve. This holistic approach has resulted in better performance, resulting from more informed management decision-making. However the BSC has not fully explained the factors that lead to superior performance in some departments and the way they relate with each other.

Corporate customer satisfaction surveys are done annually in KEBS. However different departments have on going customer satisfaction surveys. The major reasons why customer satisfaction survey programs don’t provide strategic value include viewing them as merely a performance appraisal tool. In response to poor customer ratings, departmental heads typically use Band-Aids rather than perform major
surgery. Most often the wrong people are involved. Customer satisfaction is critically important to the organization, yet the job of gathering and interpreting customer satisfaction data is often relegated to lower levels of the organization. These people are not in a position to evaluate the results from a strategic perspective, nor are they able to implement the major organization-wide changes that may be needed. Also noted was that management engages in analysis paralysis. Far too often, customer satisfaction survey data is over-analyzed, scrutinized, and beaten to death. Management responds with denial and finger-pointing instead of constructive actions or strategic decisions.

4.4 Challenges in Evaluation and Control of Strategies

The challenges faced during the evaluation and control all point towards an ineffective performance management system. There is no proper monitoring and evaluation system to ensure that KEBS at corporate and divisional levels has timely, focused, objective and evidence-based information on the performance of its activities. This has led to formulation of inappropriate performance indicators, data collection and reporting systems and evaluation and review mechanisms. In some cases, the process of setting objectives had been flawed, leading to having unrealistic objectives. Monitoring is also not a continuous function in which data is collected on specified performance indicators so as to determine the extent of progress and the attainment of objectives and in the use of allocated funds. This is mainly because of lack of proper training of staff on performance management and evaluation.

Poor internal communication has also led to wrong cascading of objectives, lack of information on the outcomes of evaluation and control actions. Incomplete information is also given during evaluation which leads to wrong conclusions. The study also noted that there were no established clear reporting schedules, channels and feedback mechanisms and this led to the evaluation system being viewed as belonging to the performance management committee/systems improvement unit. It was also noted that there was low staff commitment and morale because good performers were not recognized and neither were poor performers reprimanded. Some of the staff were also resisting change thus hampering the implementation of new practices e.g. performance appraisals. There is also lack of ownership as when strategy fails the
blame is often passed to the next department. Integrity issues also affect evaluation and control due to tendency to conceal information that could be used for the process. This has led to incorporation of incorrect information or lack of adequate information so as to make objective conclusions.

There were also very few people trained on evaluation and control practices and KEBs being a large organisation the staff performing these tasks are strained. Poor support services was also a challenge in strategy implementation. Areas mentioned included purchasing, accounts and administration. These areas that would hamper the attainment of strategy if not performing well were hardly earmarked for improvement.

Inadequate resources was a great challenge as money allocated for strategy evaluation was used for other purposes leading to low level evaluation of strategies. Limited resources meant that money required for training, consulting and evaluation was diverted on several occasions to other processes considered to be important or was used to deal with emergencies within the organisation. Poor infrastructure was also a problem as the current infrastructure e.g. Information and communication technology was not adequate to support evaluation and control as it did not cover all regional offices and border stations. KEBS’s IT infrastructure also has no integrated data management system as departments work with isolated data management system thus it is very difficult to see the organisation as one process. This leads to non-uniform application of objectives for example, the laboratories are running a laboratory information management system (LIMS) and the Administration and Human resource department is running an electronic records programme (ERP)

Lack of clear policies to address growing competition from emerging quality management, testing and certification organisations has also led to poor evaluation and control of strategy as these are not often considered as affecting the outcomes. Evaluation and control practices have not taken into account these issues. Public attitude towards KEBS also has affected its operations as feedback from the public is always skewed depending on the services a client has sought from KEBS. Most people view KEBS as a regulator thus they don’t think it is necessary to give feedback. There is also noted lack of cooperation from third performance parties who
are outside of the organisation but affect the services of the organisation e.g. importers and industry.

4.5 Discussion

4.5.1 Comparison with Theory

The strategy evaluation and control practices agree various strategic management theories advanced. The practices are consistent with Minzberg’s 5Ps perspective as the strategies are developed once the KEBS has set its organisational objectives. This is also in agreement with Peter Drucker’s management by objectives. It is then that the organisation decides on how to move forward. Failures in achieving organisational objectives have been linked to poor planning. The systems theory is also relevant as KEBS as an organisation is made up of various functions that have to pull together to achieve the organisational objectives. A failure or weakness in one department may result in a failure by another department to achieve its objectives.

It is a conclusion of the study that stakeholders are very important in the success of strategy, stakeholders give the much needed information on their expectations and are also important in providing feedback as to what degree their expectations have been met. The culture of the organisation is also important in the success and failure of a strategy. A strategy that does not have a ‘cultural fit’ will fail. It is important to accommodate the cultural perspective in any strategy implementation programmes.

4.5.2 Comparison with other studies

Studies that have been carried out over the years on evaluation and control practices and challenges experienced in implementation of those practices in various organisations have collaborated the current study; Mutune (2010) and Wanyama(2010) studied the evaluation of customer and Revenue strategy framework adopted at the Kenya Revenue Authority and found that the main factors hindering strategy evaluation and control is lack of resources, resistance to change, an increasingly enlightened public, lack of staff skills and supporting infrastructure. This has also been identifies as a challenge in the study Chelimo (2010) studied
evaluation and control of strategy the National Social Security fund (NSSF) found that NSSF needs to bench mark with similar organisations so as to use the best practice in the industry, the current study identified that the use of benchmarking in KEBS was limited due to unavailability of suitable performance partners due to the mandate of KEBS which is to ensure conformance of products to standard requirements so as to facilitate trade, this has led to, difficulties in comparing data, resource constraints (time, finance and expertise), staff resistance, ignorance/ lack of training, resource constraints, small or negligible gains and information obtained not appropriate for the KEBS use.

A study by Ngumi (2010) on the evaluation of strategy in Kenya Civil aviation authority and found the challenges similar to those experienced at NSSF and these were also similar to those faced by KEBS. The study has therefore found comparable conclusions on the strategy evaluation and control practices and the challenges that were experienced in the various organisations.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This concluding chapter summarizes the purpose and objectives of the study, the major findings, conclusions and recommendations. It also discusses the managerial and theoretical implications of the study, and makes recommendation for further research.

5.2 Summary

In this study, the main purpose was to identify the strategy evaluation and control practices used at KEBS. Specifically, it sought to establish the specific evaluation and control practices and to identify the challenges involved in implementation of the strategy evaluation and control practices. The study was a case study that used an interview guide to the target management staff in various departments who were in charge of the implementation, evaluation and control of strategy. Based on an objective analysis of data and discussion of results, the following is the summary of major findings and conclusions of this study.

5.2.1 Strategy evaluation and control practices in KEBS

The major strategy evaluation and control practices identified at KEBS include benchmarking, internal audits, balanced score card, performance appraisals, accreditations and certifications, customer satisfaction surveys and the use of information technology programs.

5.2.2 Challenges involved in implementation of established practices

The challenges that were identified in the study in the evaluation and control of strategies include; an ineffective performance management system, formulation of inappropriate performance indicators, data collection and reporting systems and evaluation and review mechanisms, flawed objective setting process, lack of proper training of staff on performance management and evaluation, Poor internal communication, lack of information on the outcomes of evaluation and control actions, no established clear reporting schedules, channels and feedback mechanisms,
low staff commitment, resistance to change, lack of ownership, integrity issues, incorporation of incorrect information or lack of adequate information so as to make objective conclusions, lack of training in strategy evaluation and control practices, poor support services, inadequate resources, poor infrastructure, lack of clear policies to address growing competition from emerging quality management, testing and certification organisations, public attitude towards KEBS and lack of cooperation from KEBS stakeholders.

5.3 Conclusion

The reliability and responsiveness of strategic initiatives are very important in determining the effectiveness of strategy evaluation and control practices at KEBS. The identification of proper practices in turn drives significantly the attainment of strategic objectives. The research found that the monitoring and evaluation framework is inadequate due to timeliness of taking of corrective actions, cascading of information, ownership of responsibilities, rewarding of good performers, communication of outcome of the evaluations and lack of resources coupled with poor support services and poor perception towards performance evaluation by staff; however there is room for improvement in the areas that posed as challenges in implementation of the evaluation and control practices and this included; timeliness of feedback, ownership of actions, improvement of personnel appraisal systems, an ineffective performance management system, create an open communication system, integrate various information and communication technology programs in use and train staff on effective performance management.

Evaluation and control information consisting of performance data and activity reports needs to be used to see if strategy formulation was done correctly. Undesired performance can be used to develop new implementation programs or procedures. Evaluation and control information must be relevant to what is being monitored. An obstacle to effective control found during the study was the difficulty in developing appropriate measures of important activities and outputs. Measuring performance is a crucial part of evaluation and control and without objective and timely measurements, making operational, let alone strategic, decisions is extremely difficult.
5.4 Recommendations

Based on the findings of the study it is recommended that KEBS develops an effective monitoring and evaluation (M&E) framework. A monitoring and evaluation system is necessary to ensure that KEBS at corporate and divisional levels has timely, focused, objective and evidence-based information on the performance of its activities. It requires observation, measurement, feedback, and guidance. In this regard, KEBS shall as a matter of priority, establish an effective monitoring and evaluation system consisting of appropriate performance indicators, data collection and reporting system and evaluation and review mechanisms.

An effective monitoring and review mechanism will produces data and information relating to the carrying out of an organisation’s activities and the extent to which targets are being met. Where a variance is registered between planned and actual accomplishment, a basis is provided for appropriate remedial action to be taken by the Management with a view to ensuring that the goals and objective are realized. The proposed system will include sanctions for non-compliance; will be designed to ensure effective monitoring and evaluation of performance so that the Plan objectives may be better achieved. KEBS has not had an institutionalized M&E function in the past.

Each department should establish a monitoring and evaluation system based on the departmental objectives, objectively verifiable indicators (OVIs) and targets, which will feed into the overall system for KEBS. The M&E Unit will collate, verify, analyse and compile the M&E reports from the various departments for onward transmission to the top management. Monitoring should be a continuous function in which data is collected on specified performance indicators to provide KEBS Management the extent of progress and the attainment of objectives and the progress in the use of allocated funds. The M&E System should establish an elaborate data management system; establish clear reporting schedules, channels and feedback mechanisms on an ongoing basis, requiring time and commitment of all (e.g. monthly, quarterly and annual reporting) and provide clear statement and definition of action plans to be taken on specified monitoring results in terms of strategy change, resource adjustment, Change of strategy or review of activity to ensure that KEBS
remains on course to realization of set objectives and targets and staff appraisal

Timely feedback of evaluation results is important so that timely corrective actions are taken or if positive in outcome then measures are put in place to reinforce the positive performance. KEBS should also establish clear reporting schedules, channels and feedback mechanisms on an ongoing basis, requiring time and commitment of all (e.g. monthly, quarterly and annual reporting). KEBS should also provide clear statement and definition of action plans to be taken on specified monitoring results..

The KEBS evaluation system should provide for an annual assessment of the results arising from the implementation of the Plan, with the aim of establishing if organisational objectives are met according to the Plan. In addition to the internal evaluations, a mid-term review of the Plan should be undertaken yearly and at the end of the Plan period. The purpose of the mid-term review is to improve overall plan implementation while the terminal evaluation will facilitate the improvement of the next Plan through lessons learned during the implementation of the current Plan. Improve performance appraisal system. Good performance should be rewarded down to the individual level so as to motivate employees to perform better and improve staff commitment and moral

An integrated IT systems should be set up which includes a reporting feature. The various programmes that have been developed should include a reporting framework and should be integrated so that information is shared widely and in real time. This will improve the timeliness of taking corrective actions and information sharing within the organisation

KEBS focus should be more on fundamental issues such as whether the organization’s products, services, and culture need to change in order to improve customer satisfaction. This can be done by monitoring ongoing departmental customer satisfaction surveys and come up with the best strategies for improving customer satisfaction

**5.5 Limitations of the Study**
When analyzing the results of this study, certain limitations were taken into account. One limitation was the use of a qualitative research method. Although the texts gathered for analysis conferred important data for answering the research questions, a survey would have brought more opinions and consequently, more information, concerning the issues researched.

By restricting the sample to the top management the generalizability of the results could be doubted. A small and non-random sample size however is consistent with the specific focus and nature of this study. A smaller but focused sample although permitted a more detailed exploration of the research questions also restricted the responses from the other staff that are evaluated. Although a broader organisational scope and a larger sample size would be desirable, the time constraints imposed by the nature of the study prevented this.

Another limitations of the study included difficulty in accessing informants as most were not available at the time of data collection thus had to make several visits to their offices, the Research was based on Subjective responses of the interviewees thus could be biased and strategy evaluation is a wide area thus not all areas could be covered.

5.6 Suggestions for Further Research

This study used qualitative methods in determining the strategy evaluation and control practices at KEBS through a case study. It is recommended that future research should examine the effectiveness of use of the various strategies using other in-depth, projective qualitative techniques such as interview and focus group discussion to provide more in depth understanding of the key determinants of success of use of the identified practices.

Future studies based on the present study are recommended to identify the factors that drive choice of strategy evaluation and control practices in various public organisations. This would enable comparisons to be made on the practices used with an aim of identifying the best practices. An evaluation of the impact of KEBS evaluation and control strategies to KEBS staff and other stakeholders is also recommended as a good area of study as it will show how the strategy affects the stakeholders and users of KEBS services. A study is recommended to analyse the strategic responses by competitors on KEBS choice of strategic management
framework. More studies are also recommended in the development of a suitable monitoring and evaluation framework for public sector organisations.
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Appendix 1: Letter to Informants

Felista Kerubo Nyakoe
University of Nairobi
School of Business
Department of Business Administration
P. O. Box 30197
Nairobi

Dear Respondent,

**RE: COLLECTION OF DATA**

I am a postgraduate student at the University of Nairobi, Faculty of Commerce. This research is in partial fulfillment for the reward of the MBA degree from the University of Nairobi. The title of the project is “**STRATEGY EVALUATION AND CONTROL PRACTICES AT THE KENYA BUREAU OF STANDARDS**”

I have prepared a questionnaire to help in data collection. I do hereby request that you to take a few minutes to complete it to the best of your ability. The information provided will be treated with strict confidence and will only be used for the purposes of this study, without mentioning any particular details of your organisation. A copy of the project will be made available to you on request.

Thanking you for your cooperation

Yours faithfully,

Felista Kerubo Nyakoe

MBA Student
Appendix 2: Interview Guide

PART A:

INFORMANTS PERSONAL INFORMATION

A1: NAME:______________________________________________________________
A2: DEPARTMENT:_____________________________________________________
A3: DESIGNATION:____________________________________________________
A4: LEVEL OF EDUCATION:_____________________________________________
A4: NUMBER OF YEARS IN ORGANISATION:_______________________________

PART B:

STRATEGY EVALUATION AND CONTROL PRACTICES

EVALUATING ADVANTAGE – MARKET ANALYSIS

B1: Does KEBS periodically gather and analyze data about market and other external factors which affect the business? ________________________________
____________________________________________________________________
B2: Does the external/market analysis identify key threats to the business? Key opportunities? ________________________________
____________________________________________________________________
B3: Does the analysis include detailed analysis of market or other geographic and/or demographic and/or psychographic segments? ______________
____________________________________________________________________
B4: Are the business’ performance and operational characteristics compared with those of competitors? ________________________________
____________________________________________________________________
B5: Are demographic, behavioral, and other consumer trends analyzed? ______
____________________________________________________________________
B6. Does KEBS assess factors such as cost and availability of capital, government regulations and the economy?

B7. Does KEBS have knowledge of and access to sources of information about the industry, markets, and other external factors?

B8. Does it include pricing strategy and its effects on customer behavior?

EVALUATION OF STRATEGIC PLAN DEVELOPMENT

B9. Does KEBS use the strategic (situational) diagnosis to formulate strategic plan options?

B10. Does it consider business performance options, e.g., cost reduction, alternative suppliers, production improvements, etc.?

EVALUATING STRATEGIC PLAN IMPLEMENTATION

B11. Does KEBS make strategic decisions (implementation action plans) based upon the strategic plan?

B12. Does KEBS clearly assign lead responsibility for action plan implementation to a person or, alternately, to a team?

B13. Are sufficient resources allocated for implementation?

B14. Does KEBS set clearly defined and measurable performance standards for each plan element?

B15. Does KEBS develop an organized system for monitoring how well those performance standards were met?
B16. Does KEBS review monitoring data regularly, and revise strategic decisions as appropriate?

B17. Are individuals responsible for strategic planning and implementation rewarded for successful performance?

B18. Can performance results be pinpointed by area, unit, project, or function?

B19. Is the information timely?

B20. Is KEBS using benchmarking or balanced score card to evaluate its functions and activities?

B21. Which other methods is KEBS using to evaluate and control strategic management implementation?

STRATEGY EVALUATION PRACTICES

B22. Describe KEBS’s current practices as they relate to the ongoing evaluation of strategic initiatives.

B23. How is your organization performance in communicating evaluation results to the staff.

B24. Has KEBS developed a set of key performance indicators or some other form of accountability to track the success of strategic initiatives? Explain how?

B25. Describe KEBS ongoing evaluation practices as it relates to strategic initiatives.

B26. Explain how KEBS identifies corrective action when strategic initiatives are failing or could be improved.

B27. Describe KEBS response time, after they acknowledge that a strategic initiative is failing.
B28. Describe KEBS effectiveness at evaluating the impact of changes subsequent to initial strategy formulation.

B29. Explain your level of participation in strategy evaluation

B30. Explain the attention paid to abandoning, adjusting or developing new strategies subsequent to evaluation of the initial strategies by the strategy team.

B31. How is the relevance and suitability of the strategic management model to your organisation

B32. How committed is your organisation to Strategic Management as the model of choice.

B33. Does KEBS have access to the financial resources that are needed to carry out its activities?

B34. Does KEBS possess problem-solving capabilities to carry out the strategy?

B35. Does the strategy challenge and motivate personnel in KEBS?

EVALUATION OF STRATEGY CONTROL PRACTICES

B36. Are Adequate Control Measures in Place to Ensure Conformance with the Recommended Strategic Plan?

B37. Are appropriate standards and measures being used?

B39. Are reward systems capable of recognizing and rewarding good performance?