STRATEGIC RESPONSES TO THE TURBULENT OPERATING ENVIRONMENT AND PERFORMANCE OF KENYA RED CROSS SOCIETY

By

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DECLARATION

This research project is my original work and has not been presented for a degree at any other university.

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The research project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

I would like to dedicate this project to my beloved family members who gave a magnificent input and support towards the success to this work. Alongside, to my friends and colleagues whose encouragement and understanding during the period of study made the task became lighter.

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ABBREVIETIONS AND ACRONYMS

BSC: Balance Score Card

CSR: Corporate Social Responsibility

EOC: Emergency Operation Centre

EMS: Emergency Medical Services

GF: Global Fund

ICHA: International Centre for Humanitarian Affairs

ICT: Information Communication Technology

KRCS: Kenya Red Cross Society

NGOs: Non-Governmental Organizations

PEST: Political, Economic, Social and Technological

RBV: Resource Based View

UNHCR: United Nation High Commissioner for Refugees

UNICEF: United Nations Children's Fund

UON: University Of Nairobi

VAT: Value Added Tax

ABSTRACT

Organizations exist in turbulent operating environment. For organizations to survive in such kind of environment, there is need for them to adopt strategies that helps them to respond to the effect of such turbulent operating environment. To the researcher's knowledge, and at the time of the study, no local or international studies had ever focused on determining the strategic responses adopted by KRCS cope with the turbulent operating environment and its performance. This represents a significant gap in knowledge that must be bridged since KRCS is one of the largest NGO in Kenya that is always on the front line in alleviating human suffering. It is in this light that the researcher aimed to fill the existing gap by carrying out an investigation into the strategic responses adopted by KRCS to cope with turbulent operating environment and its performance. In this study, the research design adopted was case study as it was ideal due to the fact that there is only one unit of study. Content analysis was adopted to analyze the data collected from the seven key departmental managers that were interviewed. From the study it is evident that KRCS operations are affected a great deal by the effects of the unpredictable environment it operates in. As such, KRCS has adopted strategies to deal with this environmental factors and ensure that they do not pull the organization down as it tries to achieve its set goals and objectives. It is also clear from the study that KRCS is keen on measuring performance and has adopted the balance score card as a tool of measuring performance to always ensure that its activities are in line with set goals and objectives. This study has implication to both theory, policy and practice. From the study it is evident that KRCS performance and operation will always be affected by unpredictable environmental factors as a result of its existence in turbulent operating environment. It is therefore important that KRCS adopts strategies of dealing with this environmental factors. KRCS also need to measure performance frequently to ensure that their performance is in line with the set goals and objectives. This applies to all organizations in practice. The study would be of importance in enhancing management theories since NGOs would be in a position to restructure their performance in such a way as to enable them meet overall organizational effectiveness and performance. The NGO Council that regulates all NGOs would be informed on the situation on the ground concerning NGOs to enable it offer the necessary support. The Kenyan government would also get better informed when formulating policies and regulations that affect or relate to NGOs. The study also highlighted the overall organizational effectiveness and performance and also in policy formulation, especially at the institutional level. Future scholars can use the results of the study as a source of reference. The findings of this study can be compared with strategic management in other sectors to draw conclusions on various ways an organization can respond to competitive forces in the environment, contributing to theory building. To sum up, the study findings can add some knowledge to the existing body of knowledge and open up areas for further research. The findings would contribute to generation of knowledge on the competitive strategies employed by Non-Governmental Organizations in order to enhance performance resulting into theory building.

CHAPTER ONE

INTRODUCTION

1.1   Background

All organizations exist and carry out their activities within the environment. The environment provides the organizations with inputs which they transform to outputs through internal processes and then the outputs are given back to the environment. To succeed in an industry and achieve set goals and objectives, an organization must select a mode of strategic behavior which matches the levels of environment turbulence and develop a resource capability which complements the chosen mode (Acur and Englyst, 2006). Kotler (2007) observed that turbulent operating environmental change can lead to yesterday's wining business ways and principles becoming irrelevant today. Ansoff and McDonnell (1990) stated that organizations are environment dependent hence their interaction with environmental factors is essential for survival.

The classification of strategic behavior of organization towards environmental survival is supported by several theories which include resource based theory, chaos theory among others. In line with this, the resource-based view (RBV) is a model that sees resources as key to superior to firm performance. RBV is an approach to achieving competitive advantage that emerged in 1980s and 1990s, after the major works published by Wernerfelt, (1984); Barney, (1990) and others. The supporters of this view argue that organizations should look inside the company to find the sources of competitive advantage instead of looking at competitive environment for it. According to RBV proponents, it is much more feasible to exploit external opportunities using existing resources in a new way rather than trying to acquire new skills for each different opportunity.

In RBV model, resources are given the major role in helping companies to achieve higher organizational performance. There are two types of resources: tangible and intangible. Chaos theory is the study of nonlinear dynamics, in which seemingly random events are actually predictable from simple deterministic equations. Chaos theory as a name comes from the fact that the systems the theory describes (non-linear systems) would seem to be disordered or random or at least unpredictable. Chaos theory tries to find some underlying order in what appears to be random events or data. Non-governmental organizations (NGOs) have played a major role in pushing for sustainable development in the country. It is therefore important that NGOs adopt strategies that will ensure their survival in the foreseeable future. In the yester years, NGOs were fully relying on donor funding that was guaranteed. There was no cause for alarm or need to get worried on the effect of turbulent operating environment in which NGOs were operating from. NGOs were few.

However, since 1960s, the number of NGOs and their influence both nationally and internationally has grown exceptionally (Korey: 1998:16). Korey explained that, NGOs "played a decisive role in transforming the phrase human right from but a Charter provision or a Declaration article into a critical element of foreign policy discussions in and out of governmental or intergovernmental circles" (Korey: 1998:18). It is because of this growth that NGO has to adopt strategies to the turbulent operating environment to ensure their good performance. KRCS is one of the main NGOs in Kenya. It has continuously been affected by the changing needs of the environment it operates in. It is therefore importance that KRCS has strategies on board that will help them respond to the turbulent operating environment to ensure organizational performance.

As such KRCS has adopted the BSC model as a strategy to ensure that it understands the environment in which it operates in and such remains competitive to ensure organizational performance (www.kenyaredcrosssociety.org). The balance score card is described as "a set of measures that give top managers a fast but comprehensive view of the business" Kaplan and Norton (1992). Kaplan and Norton(1992) points out that managers be able to view performance in several areas simultaneously using the BSC model as it focuses on four perspectives, financial, customer, learning and growth as well as internal process perspective.

1.1.1 Strategic Responses

Strategic responses are the actions that an organization takes to align itself with the environment. Any firm that does not take actions to align itself with the environment cannot survive in the environment and is soon forced out of the market. Ansoff and McDonnell (1990) see that increased competition has created fundamental shift in the economic environment where organizations have to come up with proper strategic responses to stay afloat. Strategic responses involve changes in the firm's strategic behaviors to assure success in transforming future environment.

Pearce and Robinson (2007) defined strategic responses as the set of decisions and actions that result in formulation and implementation of plans designed to achieve a firm's objective. It is a reaction to what is happening in the economic environment of organizations. According to Ross, Hitching and Worley (1996), organizations have to learn, adopt and reorient itself to the changing environment. He postulates that when a discontinuity begins to affect a firm in a turbulent operating environment brought about by globalization and trade liberalization its impact remain hidden within normal fluctuations in performance.

Strategic responses involve changes to the organizations strategic behaviors. These responses may take many forms depending on the organizations capability and environment in which it operates. The different initiatives and interventions that an organization takes to align itself with the environment it operates in constitute strategic responses. An organization that fails' to align itself with the environment it operates in will lead to a strategic misfit that makes operations difficult.

1.1.2 Turbulent Operating Environment

A turbulent operating environment is an environment in which one cannot predict the outcome of one's actions (Dankbaar, 1996). For Brown and Eisenhardt (1998) this kind of environment is defined as "a situation that is subject to continuous and substantial changes which are uncertain and unpredictable". A turbulent operating environment is characterized as difficult to understand and requires a flexible organization to respond quickly and adequately in order to remain competitive. Turbulent operating environment consists in a situation that is subject to continuous and substantial changes which are uncertain and unpredictable. It is important to distinguish turbulence and quick change.

Quick change can be predictable and turbulence is equal to unpredictability (Emery and Trist, 1965). According Kim, Cameron and Whetten (1987) turbulence is change experienced by the organization that are major, rapid and discontinuous. These changes are no longer incremental. The author Van Noort (1999) emphasizes that the main forces "globalization, internationalization, innovation, technology and mass individualization" as the most influencing elements in the environment that organizations operate in. Johnson and Scholes (1989), there are four groups of key drivers behind change, in short called PEST (Political, Economic, Sociocultural and Technical).

It is therefore important that every organization analysis its external environment from time to time to determine political, economic, social and technological factors that affect its working environment and come up with strategic responses towards the turbulent operating environment to ensure that it remains competitive hence survive.

1.1.3 Organizational Performance

Organizational performance is defined as an analysis of a company's performance as compared to goals and objectives. Within corporate organizations, the primary outcomes analyzed are financial performance, market performance, production capacity performance and shareholder value performance (www.businessdictionary.com).In today's dynamic and rapidly changing workplace and globalized economy, development of organizational performance is associated with the development personal performance, skills, knowledge and experience (Covey, 1989; Covey,2004; Jones et al., 2000). However, the ability to achieve and maintain high performance and productivity in organizations is a key challenge facing management today. The BSC assists in identifying the most critical measures for monitoring and developing strategy.

Since its introduction in 1990, the Balanced Scorecard has been widely appreciated and used by Corporations around the world. Recent estimates suggest at least 50 percent of Fortune 1000 companies use a Balanced Scorecard system. These corporate and business organizations have used the system to generate improved financial results, align employees with strategy, base resource allocation decisions on company goals, and improve collaboration. NGOs and Government agencies have been slower to accept the Balanced Scorecard system of performance measurement. This is mainly because of the disinclination to experiment with newer tools, and the belief that measurement efforts may be incomprehensible.

Organizations should select tools for measuring organization performance that demonstrates the creativity in seeking measures which support strategic direction. BSC is an instrument which translates the mission and strategy of an organization into a broad collection of action metrics and indicators, and which subsequently provides the structure necessary to serve as control and strategic measurement system (Kaplan and Norton, 2006). In the process of identifying indicators for each of the four BSC perspectives, developing strategy maps, BSC could be utilized for strategic planning.

1.1.4 Strategic Responses, Turbulent Operating Environment and Organizational Performance

Organization should monitor their performance frequently to ensure they meet their goals and objectives. Strategic responses are the strategies adopted by organizations to ensure that their performance is in line with goals and objectives. The strategies adopted by organizations should be able to assist organizations respond to turbulent operating environment and as such remain competitive. One of those strategies is adopting the BSC model which will assist the organization scan its working environment in terms of financial perspective, customers, learning and growth as well as internal processes of the organization (Klinger, 2004).

The BSC model is based on measuring performance by looking into four perspectives namely, financial, customer, internal process and learning & growth perspective (Kaplan & Norton 2004). The financial perspective focuses on ensuring that operating costs are low leading to growth in revenue, as a result good financial performance. Customer perspective focuses on customer relationship, product branding, service and product offering. Customer satisfaction is very key to any organization performance.

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The business process perspective is more concerned on operating management systems in place, regulatory and environmental processes and innovations. It is very important that the internal organization processes are efficient and effective as this will contribute widely to good organization performance. The last perspective of learning and growth checks to ensure that staff undergo continuous training to ensure they keep up to date with changing working environment e.g. technology changes. It also focuses on skills, culture as well as leadership. Continuous control and monitoring of these four perspectives will ensure that organization performance is as expected and in turn translate to achievement of organizations goals and objectives.

1.1.5   Non-Governmental Organizations in Kenya

Development of NGO's in Kenya goes way back after World War I1 with the formation of numerous ethnic and regional based associations and groups. Some were political, some economic while others had a social orientation. As at 2012, Kenya's NGO sector accounted for 5% of the country's gross domestic product and a big employer (Kenya Bureau of Statistics). Non-Governmental Organization (NGOs) plays very important roles in the society, by supplementing government and foreign missions effort in the provision of services to it citizen. For NGOs to perform this role it has to dependent on donor funds. In many developing countries, the role of NGOs has evolved in response to the market gaps left by the government (Gaist, 2009). Impelled by the inadequacies of the state and the market, citizens across the globe have developed NGOs to deal with a diversity of social needs. According to Gotz (2008), the increase in NGOs is one of the most remarkable features of modern-day international politics. While states remain the major „protectors and abusers of human rights, NGOs have materialized as central players in the promotion of human rights around the world.

NGO's in Kenya are regulated by The National Council of NGOs, popularly known as the NGO Council. This is a self-regulating, non-partisan body comprising all registered NGOs. It was established in August 1993 under the Non-governmental Organizations Co- ordination Act, 1990 as a forum of all voluntary agencies. The NGO Council membership includes international, regional and national NGOs operating in Kenya and working with a host of CBOs and groups. These NGOs are active in a cross section of sectors including: agriculture, water, education, environment, health, human rights, gender and development, children's rights, poverty alleviation, peace, population, training, counseling, small scale enterprises, disability and many others. The NGO Council provides overall leadership to the NGO sector.

It champions the key values of probity, transparency, accountability, justice and good governance. It enhances the self-regulation of its members, and assists them to realize their potential in improving services that improve the socio-economic status of Kenyan society in pursuit of sustainable development. While a number of NGO's in Kenya have achieved administrative efficiency, most have major difficulties. Efficiency cannot be guaranteed because of the nature of the NGO's themselves. Many of them are new, small and without guaranteed future due to the turbulent operating environment they operate in.

This is especially the case with local or national NGO's that are still struggling to put effective and efficient managements systems for good governance in place and whose survival largely depends on donor funding. Such NGO's are weak and face the risk of lack of continuity. In Kenya, NGOs have also sustainability and reliability challenges in their projects. Sustainability has become a buzzword within the development circles. It describes the ability of a given project to remain viable even after external support is terminated.

Not all are able to achieve this fete. Given the rapidity in which NGOs are established, they are obviously too recent, as institutions, to build up capacity to manage themselves properly and professionally facing financial mismanagement (Bujra and Dejumobi, 2002). For instance, Kunguru et al (2002) study concluded that it is not easy to assess the overall efficiency of the NGOs projects in Kenya due to lack of adequate data and financial records. This raises the implication for adoption of current performance management techniques without proper data and management capacity and competence. Kunguru et all (2002) study concluded that most NGOs projects in Kenya depend heavily on external funding thus without this external funding, most of the projects would collapse. The influence of the external funders on performance measurement practices is well documented in literature (Thomson, 2010). The implication of this is that the independence of the NGOs from the influence of donor procedures varies from one NGO to another depending on the leadership.

Although NGO effectiveness as a measure of NGO performance within the sector has attracted scholarly attention for decades (Mausolff and Spence 2008; Lecy *et al* 2009), there is little agreement on how to define and measure what constitutes NGO performance. I essence NGO performance represents the outcome of NGOs activities. Recently, NGOs have moved from this old ways. Sustainability as prerequisite for NGOs' existence poses more definitional problems. Arguments are now being advanced that, given the roles that NGOs play in development, NGOs can make profits that can be ploughed back into the financial mainstream to expand and sustain its developmental agenda. NGOs are thus seen as development agents bringing their role development into sharp focus.

This is a move away from the restrictive model where an NGO was seen only as social welfare provider. This diversification from the normal has resulted from pressure from the unpredictable environment that NGOs operate within. Failure to adopt strategies such PEST and BSC to the turbulent operating environment will result to failure in delivering their mission and vision. In the most cases, for-profit organizations agree about the order of the BSC's perspectives, (Kaplan & Norton, 1996).

1.1.6   Kenya Red Cross Society

Kenya Red Cross is one of the many national Red Cross societies around the world. The Kenya organization was established in 1961, The Kenya Red Cross supports and runs a number of projects whilst raising awareness to the Kenyan public about the current issues or problems which may affect them. Some of the projects which are either run by or assisted by the Kenya Red Cross are Famine, blood services, first aid projects, disaster and emergency services and education services(www.kenyaredcrosssociety.org).It's vision is to be the most effective, most trusted and self-sustaining humanitarian organization in Kenya (www.kenyaredcrosssociety.org). In the 1960s, KRCS did not have any strategies that management were using to respond to the turbulent operating environment and thus ensure good performance.

They used to rely fully on donor funding and support from Kenyan Government. In the recent years, there has been decline in donor funding and even in cases where donor funding is available, it is limited to specific projects which means that some projects do not have funding hence unsustainable. In early 2000, KRCS adopted the BSC model to measure performance. It was evident that continued reliance on donor funding would see it not sustainable.

Through the use of the BSC, they were able to scan the environment it operates on and such identified measures to take to ensure that it continues performing as expected even with the reducing donor funding. To ensure financial sustainability, the organization has adopted a strategy off the norm of relying on donor funding and instead it has gotten into commercial operations that generate profits which are ploughed back to the disaster kitty of KRCS (www.kenyaredcrosssociety.org). One of these strategy is Emergency plus medical services (Eplus) a company limited by guarantee and fully owned by KRCS. Eplus provides ambulance services (www.eplus.co.ke).

KRCS has also the Boma Hotels which are fully owned by KRCS (www.thebomahotels.co.ke). For KRCS to achieve its vision, it has embarked in to using BSC as it helps to describe its strategy, focus actions on what matters, and finally to execute the strategy successfully. It also helps KRCS management speak same language with their donors since most donors use BSC for their strategic planning. As such, one of their strategic responses to ensure good organization performance has been to adopt the BSC as a tool of measuring performance.

1.2   Research Problem

Organizations being in an open system is affected by the complexity and dynamism of its environment and the survival and success of organization depends on strategic responses to the turbulent operating environment. With the increasing competition that companies are facing today, rewards will accrue to those who continuously scan the environment, delivering the greatest value to customers with the view that as the operating environment changes, a more pronounced transformation of the business landscape lies ahead (Ansoff, 1990).

Strategy is vital to the adaptation of the changing business environment. Muthike (2009), view operational responses as part of a planning process that coordinates operational goals with those of the larger organization. Hence operational issues are mostly concerned with certain broad policies for utilizing the resources of an organization to the best support of its long term competitive strategy. Pearce and Robinson (2005), assert that the management system used by an organization is a determining component of the organization's responsiveness to environment changes because it determines the way that management perceives the environment, diagnosis their impact on the organization, decides what to do and implements the decision.

The environment is dynamic and changes from time to time. Organizations needs to adopt strategies in responses to the ever changing environmental forces such as economics, policy change, political force, technological advancement, globalization and market liberalization to assure success in transforming future environment, survival and improve performance (Ansoff, & McDonell, 2000). Kenya Red Cross Society is facing complexity and dynamism of its environment which causes threats to the organization and therefore the organization needs to respond to threats posed by the turbulent operating environment. Increase in global competition advance in technology, regulations governing NGOs, political and cultural factors greatly threatened the survival and operations carried out at KRCS. NGOs must respond to these changes so that the organization can remain relevant and ensure its continued existence in a changing environment.

According to Alymkulova & Seipulnik (2005) one of the greatest challenges facing nonprofit organizations in Central Asia, particularly Kazakhstan and Kyrgyzstan, is how to sustain and support NGO activities considering the turbulent operating environment in which they operate in.

In Palestine, available data suggest that funding to NGOs fell by more than 50% in the second half of the 1990s, (Abdelkarim, N. 2002). Analysis of 2005 data shows donors as the largest and the main source of NGO income. According to the NGO coordination board, revenue of about $285 million was received in 2005, of this amount, close to 90% came from donors.

Many Kenyan companies that channeled their corporate social responsibility funds through NGOs have started own foundations like; Safaricom, Equity Bank, EABL and KCB. These Foundations have also diverted funds that were once channeled to NGOs, (Rawlings, 2010). With donor funding drying quickly or diverted to other needy disaster prone areas, humanitarian organizations are deepening forays into commerce as they race to reduce reliance on dwindling inflows, (Rawlings, 2010). Kanyinga & Mitullah, (2006) NGOs tend to rely exclusively on external sources of funding. This funding is mainly provided by the international donor community.

Various studies done have mainly focused on profit oriented organizations (Kandie, 2005). Findings from profit oriented studies may not necessarily apply to the NGOS. The nature of organizations in the non-profit and public sector prevents exact duplication of the private sector strategic planning process (Kitonyi, 2008). There have not been sufficient studies to describe how non-profit organizations respond to the turbulent operating environmental to ensure organizational performance. Kitonyi (2008) carried out a study on the response strategies for Postal Corporation of Kenya to changes in the external environment. Muthike, (2009) carried a study on responses for Acacia Medical Centre to changes in the external environment. A study conducted on the strategies adopted by NGO in to increase financial sustainability only focused on the Meru County (Waiganjo et al, 2012).

These findings cannot be considered true reflection of the NGO sector in Kenya. Ngonga (2011) did a study on changing environment of food industry in Kenya and established that the firm realized the challenges faced in the business environment and choose to divest from the tin manufacturing and outsourced this non-core role and invested on food manufacturing and packing machines.

Njogu (2007) in her study on the changes in the environment at Schindler Kenya Limited established that the firm responded to changes in the environment through an aggressive sales campaign, innovation of new products and rebranding of the company. To the best knowledge of the researcher, there has been no known study that has focused on investigating strategic responses to the turbulent operating environment and performance of KRCS. This study therefore focuses on identifying strategic response adopted by the KRCS by seeking to answer the question; what are the strategic responses that KRCS adopts to the turbulent operating environment to ensure organizational performance?

1.3   Research Objectives

To establish the strategic responses adopted by KRCS to the turbulent operating environment to ensure organizational performance

1.4   Value of the Study

The study would be of importance in enhancing management theories since NGOs would be in a position to restructure their performance in such a way as to enable them meet overall organizational effectiveness and performance.

The NGO Council that regulates all NGOs would be informed on the situation on the ground concerning NGOs to enable it offer the necessary support. The Kenyan government would also get better informed when formulating policies and regulations that affect or relate to NGOs.

The study also highlighted the overall organizational effectiveness and performance and also in policy formulation, especially at the institutional level. Future scholars can use the results of the study as a source of reference. The findings of this study can be compared with strategic management in other sectors to draw conclusions on various ways an organization can respond to competitive forces in the environment, contributing to theory building. To sum up, the study findings can add some knowledge to the existing body of knowledge and open up areas for further research. The findings would contribute to generation of knowledge on the competitive strategies employed by Non-Governmental Organizations in order to enhance performance resulting into theory building.

1.5   Summary of the Chapter

In summary, this chapter studies the background of environmental factors and why it is important for organizations to adopt strategies that enables them deal with challenges brought up by this factors. The chapter also looked at KRCS and how it is affected by environmental factors as well as how it measures its performance.

It is evident that the operation of KRCS is affected by the unpredictable environment it operates in. As such, KRCS has taken measures to respond to these factors to ensure that it meets its set goals and objectives despite the turbulent environment it operates in.

This Chapter also looked at the objective of the study as well as the contribution of the study to theory, policy and practice. From this chapter it is clear there is a gap as there is no know study on strategic responses to the turbulent operating environment and performance of Kenya Red Cross Society. The next chapter presents the reviewed literature.

CHAPTER TWO

LITERATURE REVIEW

2.1   Introduction

This chapter presents review of literature on strategic responses to the turbulent operating environment and performance of KRCS. The sources of literature include books, journal and web articles. The chapter is organized according to the main areas of the study.

2.2   Theoretical Foundation

Despite the fact that KRCS is classified as non-profit making organizations, they still remain economic institutions in that they use society's scarce resources (land, labour and capital) to produce goods and services of value. KRCS and other NGOs operate in turbulent operating environment which affect the delivery of their mission and vision.

Response by KRCS and NGOs to the unpredictable environment they operate in affects their performance. In the past, this problem was not so acutely felt as there were enough resources to fund projects and programmes. Moore (2005). With the changing economic environment world-wide, sustainability, is perhaps one of the debated subjects on non-governmental organization (NGOs).

2.2.1   Resource Based view Theory

The resource based view is a management tool used to assess the available amount of business strategic assets. It is based on the idea that the effective and efficient application of all useful resources that the company can master determines its competitive advantage (Powell, 2001). The Resource based theory operates on two assumptions.

First, resources are assumed to be heterogeneously distributed among organizations. This allows for existence of differences in form of resource endowments. Second, resources are assumed to be imperfectly mobile. This condition allows for these differences to persist over time. Resources which are simultaneously valuable and rare can generate competitive advantage. Barney (2001) suggests that organization's resource will have sustained competitive advantage if the resource an organization has is valuable, rare, un-imitable and non-substitutable. According to Porter (1980), organizations should analyze their competitive environment choose their strategies and then acquire the resources needed to implement their strategies to ensure organizational performance.

Organizational resources includes all assets, capabilities, organizational processes, firm attributes, information and knowledge controlled by an organization that enable the organization to conceive of and implement strategies that improve its efficiency and effectiveness (Daft, 1983). Three categories of attributes help organizations create strategies that add value to the organization namely; physical capital resources, human capital resources and organizational capital resources according to Tomer (1987). Not all aspects of a firm's physical capital, human capital and organizational capital are strategically relevant resources. It is important for a firm to know the relevant resources that improve its efficiency and effectiveness (Powell, 2001).

2.2.2   Chaos Theory

Chaos theory is the study of complex, nonlinear, dynamic systems. The field was pioneered by Lorenz (1963), who was studying the dynamics of turbulent flow in fluids. To understand the relevance of chaos theory to strategy, we need to conceptualize industries as complex, dynamic, nonlinear systems.

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Firm interact with each other and with other actors in their environments, such as consumers, labor, the government, and financial institutions. These interactions are strategic in the sense that decisions by one actor take into account anticipated reactions by others, and thus reflect a recognition of interdependence. Although inter firm behavior has been modeled formally in economics and business strategy using game theory (Camerer, I99L), these models tend to presume the emergence of equilibrium and do not adequately reflect industry dynamics. As Porter (1990) emphasizes, the evolution of industries is dynamic and path dependent: corporate (and country-level) capabilities acquired during previous competitive episodes shape the context for future competitive battles. Moreover, the accumulation of competitive advantage can be self-reinforcing, suggesting at least one way in which industries are nonlinear. If industries do behave as chaotic systems, a number of implications for strategy can be drawn.

In chaotic systems, small disturbances multiply over time because of nonlinear relationships and the dynamic repetitive nature of chaotic systems. As a result, such systems are extremely sensitive to initial conditions, which makes forecasting very difficult. Formulating a long-term plan is clearly a key strategic task facing any organization. Chaos theory also suggests that changes in industry structures can be endogenous .Corporate decisions to enter or exit the market, or to develop new technologies alter the very structure of the industry, which in turn influences future organization behavior. One of the most provocative and controversial elements of chaos theory is that chaotic systems can spontaneously self-organize into more complex structures (Allen, 1988).The notion has been applied to biological evolution (Laszlo, 1987) as well as to economic systems (Mosekilde and Rasmussen, 1986).

In the context of business strategy, the concept could potentially be applied to the evolution of complex organizational relationships such as long-term contracts and technical cooperation with suppliers, and hybrid forms of organizational control such as joint ventures. Chaos theory suggests that new, more complex organizational forms will appear more frequently than if they were simply the result of random mutations (Laszlo, 1987).

2.3 Environmental Turbulence and Organizational Performance

Environment is the context in which organizations interpret and respond to performance feedback and set strategies. Many scholars have recognized the importance of congruence between organizational performance and turbulent operational environmental conditions (Lawrence & Lorsch, 2005).Organizations are also dependent on their environments. The notion that as the environment changes, organizations should change their strategies and respond accordingly has long been held (Thompson, 2005).Environment has a greater impact on strategic decision making in more technologically intensive industries than in simpler industries. Complexity challenges organizations' abilities to interpret their surroundings and respond to changes in their environments.

With rapid change, interpretation and response become all the more difficult tasks for organizations. Complex environments that change rapidly are labeled turbulent operating environment (Stacey, 2009). Environmental change affects the ways in which organizations interpret strategy and performance. Eisenhardt and Bourgeois' (1988) investigations of rapidly changing environments found that successful Organizations have an ability to react to environmental changes. Organizations experiencing rapidly changing environmental face both high complexity and dynamism.

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Assuming a highly complex and dynamic environment, implicitly leads to the issue of continuity. Continuity deals with the magnitude of the changes in those parts of the environment that are changing (Tushman & Romanelli, 1985). Since organizations focus on environments that experience many changes it is interesting to understand what factor differentiates various changes. Continuity is considered high during relatively incremental changes that build up on previous experiences. Incremental environmental change describes those changes that represent incremental or convergent shifts in salient environmental factors. Major environmental change describes revolutionary changes in environmental factors which tend to reorient or transform affected segments of the environment.

Environmental conditions are vital to organizational aspirations, performance assessment, search and change processes. As organizations attempt to understand their environments' they interpret additional information that is separate and distinct from performance feedback information. These incremental environmental changes may directly affect organizational strategic response decisions. Major environmental changes shake the core of organizational assumptions and lead organizations to question relationships that previously appeared clear. Organizations that rely on performance feedback to initiate strategic organizational changes may question the validity of performance feedback in light of a significantly changed organizational environment. Major changes will disrupt the feedback relationship between performance and strategic change (Tushman & Romanelli, 1985).Technical advancements such as internet, electronic banking, and improved communications have presented new challenge to KRCS.

2.4   Strategic Responses by organizations in a Turbulent Operating Environment

Business environments have become more dynamic. It has thus became key to "sink or swim", and adapt to the needs, challenges and rigors of one's business landscape. The complex and highly interrelated series of actions and reactions which an organization undertakes are mainly aimed at making the best use of available opportunities and nullifying the lurking threats so that corporate objectives and goals are achieved to the maximum extent possible (Ansoff, 1965). Organizations use strategies such as the PEST analysis that helps them to scan their environment to enable them understand their environment in the dimension of political, Economic, Social-culture as well as technologically and hence ensure organizational performance. Changes in your business environment can create great opportunities for your organization – and cause significant threats.

PEST Analysis is a simple and widely used tool that helps you analyze the Political, Economic, Socio-Cultural, and Technological changes in your business environment. This helps you understand the "big picture" forces of change that you're exposed to, and, from this, take advantage of the opportunities that they present. PEST Analysis is used to understand and adapt to your future business environment (http://www.mindtools.com). SWOT analysis can also be a strategy adopted by organizations to understand turbulent operating environment and how to respond to it to ensure organizational performance. Other organizations will choose tools as balance score card as a tool of measuring performance. This is a strategy where by organization will evaluate their financial, customer, learning and growth model as well as the internal business processes to ensure they are well positioned to remain competitive and thus organizational performance(Kaplan and Norton, 2002).

2.5   Empirical Studies and Knowledge Gaps

Organizations are environment dependent and environment serving (Drucker, 1954; Chandler, 1962; Ansoff, 1987). One of the hallmarks of a well-managed organization is the ability to reposition itself in a competitive business environment (Drucker, 1954). This can be achieved by anchoring core activities of the organization to the realization of the set objectives. Strategic planning principally deals with organizational performance and it is critical in developing sustainable competitive advantage (Mintzberg, 2008; Sermon et al., 2006). The link between the organization and the environment is the strategy (Ansoff, 1987; Mintzberg, 1987; Porter, 1987; Aosa, 2000, among others). Any change in the environment draws organizations to consider internal realignment and strategy modification (Porter, 1987; Jarzabkowski, 2005).

Johnson and Scholes (1993) define strategy in terms of the scope of an organizations' activities, the matching of the organization's activities and resource capability. This definition implies that by assessing the organization as a whole in terms of the activities, capabilities, resources, and direction, it's possible to tell the kind of strategy being pursued (Mintzberg, 1987). This assumption may not hold in a turbulent operating environment where several emergent issues keep rocking the boat thus demanding high response and dynamic change management. Johnson and Scholes (1993) in their view look at strategy as a pattern of behavior arising from the culture embedded in the organization. According to Tampoe and Macmillan (2000), strategy envisages various important aspects which include among others: strategy as a statement of intent, where strategy is deemed as a clarification of a corporate purpose as may be defined in the organization's mission and vision.

Secondly, strategy is a fit between capabilities and opportunities where strategy is viewed as a factor that matches the capabilities of an organization and its abilities to achieve success. Thirdly, strategy is regarded as a responsibility of leaders. Leaders define strategies that influence the daily operations of an organization. In this definition strategy is seen as purposeful, implying it's intended (Whittington et al, 2005). From the findings of these scholars there is still considerable ambiguity about what top managers actually do in the strategy process. The concept of strategy 'formation', in which strategy formulation is entwined with environmental or Strategic analysis in an on-going, mutually constructive process, positions top managers as active participants in strategy planning (Mintzberg and Waters, 1985; Mintzberg, 1987). Ansoff (1987) discussed the cycle detailing organization success based on its interaction with the environment. He further points out that some researchers have chosen different subjects for study – governments, universities, and commercial firms. No specific known study has been done on NGOs.

2.6   Summary of the Chapter

In summary, there has been several research done on effect of environmental factors and performance of an organization. The studies have been done both locally and internationally. There has been no known study by the researcher on the effect of turbulent operating environment and performance of KRCS. In addition, it is clear that resource based view theory and chaos theory have a relationship to this study.

The chapter looked at the empirical studies and knowledge gaps relating to turbulent environment in which KRCS operates in. This chapter then opens up gaps for further studies specifically on strategies adopted by KRCS to the turbulent operating environment and its performance considering that there is no known study on this.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1   Introduction

This chapter covers the research methodology that the researcher used to carry out the study. It covers the type of research design that was adopted by the researcher, data collection method used and how collected data was analyzed.

3.2   Research Design

This was a case study since the unit of analysis is one organization, Kenya Red Cross Society. The case study aims at getting detailed information regarding the turbulent operatig environment in which KRCS operates in and how it affects organizational performance. According to Mugenda (2008), a case study allows an investigation to retain the holistic and meaningful characteristics of real life events. Bell (1999) states "a case study approach is particularly appropriate for individual researchers because it gives an opportunity for one aspect of a problem to be studied in some depth within a limited time scale".

According to Kothari, (2004), a case study involves a careful and complete observation of social units. It is a method of study in depth rather than breadth and places more emphasis on the full analysis of a limited number of events or conditions and other interrelations. According to Gerring (2005), Case studies are analyses of persons, events, decisions, periods, projects, policies, institutions, or other systems that are studied holistically by one or more methods. The design is deem fit to portray clear pictures of strategic responses adopted by KRCS to cope with turbulent operating environment and ensure organizational performance.

3.3   Data Collection

The research relied on primary data collected from the management and staff members of Kenya Red Cross Society. Using an interview guide, the researcher interviewed seven top and middle level managers from each of the departments within KRCS tat head office. The Kenya Red Cross Society key departments include Finance, Business Development, Disaster Management and operations, Logistics and Supply Chain, Finance, Human Resources, Monitoring and Evaluation and ICT. It also has commercial entities such as Eplus and The Boma Hotels which share some of the support departments.

The interview guide had unstructured questions which were used to encourage the respondent to give an in-depth response without feeling held back in revealing any information. With unstructured questions, a respondent's response may give an insight to his feelings, background, hidden motivation, interests and decisions and give as much information as possible without holding back.

3.4   Data Analysis

The data was qualitative in nature, due to this fact, content analysis was used to analyze the data. Mugenda and Mugenda (2003) define content analysis as a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same to relate trends. The data was obtained from the various management team members belonging to different departments of KRCS and compared against each other in order to get more revelation on the issues under study.

The research was expected to yield qualitative data from the interview schedules and was analyzed using content analysis because this study sought to solicit data that was qualitative in nature. Analysis of the data collected was compared to the theoretical approaches and documentations cited in the literature review. According to Kothari (2004) the main purpose of content analysis is the study existing information in order to determine factors that explain a specific phenomenon. Content analysis was used to analyze the interviewees' views on strategic responses adopted by KRCS to adopt to the turbulent operating environment to ensure organizational performance.

3.5   Summary of the Chapter

In summary, this chapter sought to identify the research design, data collection method as well as data analysis method. The research design to be used was a case study since there was only one unit of study, KRCS. The data was to be collected using an interview guide which targeted seven key management from KRCS departments.

This chapter also looked at the data analysis method. Content analysis was identified as the method of data analysis since the data collected was qualitative in nature and the study sought to solicit data that was qualitative in nature. The main purpose of content analysis is the study existing information in order to determine factors that explain a specific phenomenon.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1   Introduction

This chapter presents the discussion and interpretations of the study. The primary data was collected using interview guide and analysis through content analysis to determine the strategic responses adopted to the turbulent operating environment and performance of KRCS.

4.2   Background Information

The interviewees were requested to indicate the positions they held in the organizations. From the responses, all interviewees were managers from the seven departments. This implied that the information regarding strategic response by KRCS to the turbulent operating environment and its performance was collected from relevant personnel who were involved in strategic management in the organizations. It was also evident that the managers involve their juniors in day to day running of the departments and as such, managers are not left with the sole responsibility of strategic management. This gave the researcher confidence in that whatever information was collected from the mangers was a full representation of the organization as a whole.

4.3   Interviewees Departments

The interviewees were requested to indicate the department they were working in the organization. From the findings, the interviewees were from Finance department, Business Development department, Logistics and supply chain department, Disaster Management and Operations department, Human Resource department, ICT department and Monitoring & Evaluation departments.

This implied that the information on strategic response to turbulent operating environment and performance of KRCS was collected from staff who were involved in strategic management. It was also a clear indication that KRCS is keen on performance as it has all the key departments that any NGO would have if it was to deliver efficiently. It was also evident that these departments work close with each other and hence the good performance that the organization has had throughout the years.

4.4   Working Duration in the Organization

The study sought the period in which the interviewee has been working in the organization. From the findings, 65% of the interviewees indicated that they had been working in their current department in KRCS for a period of 0-3 years, 30% of the interviewees indicated that they have been working in their current departments in KRCS for a period of 4 years while 5% of the interviewees indicated that they had working in their current department for of the interviewees had been working for a period of more than 4years.

This implies that interviewees had worked in KRCS for a period of more than 3years implying that they were well experienced on strategic responses adopted by KRCS to cope with turbulent operating environment.

4.5   Environmental factors affecting the operation and performance of KRCS

This section sought to establish the various environmental factors that affect operation of KRCS and how each of these factors contribute to the performance of KRCS. These factors include economic factors, Socio-Cultural factors, political factors as well as technological factors. Each of these factors can have either a positive or negative effect on KRCS performance or in some cases, both effects.

4.5.1 Economic Factors

Economic factors affected the performance of KRCS in a negative way. This was evident from the responses given by the interviewees. Inflation is one of the economic factor that has had an adverse effect to the organizations. The interviewees explained that as a result of inflation, most of the operating costs have gone up for example, fuel cost and this has translated to high operational costs. KRCS operations requires a lot of travelling. The organization has a huge fleet of vehicles from the ones used to go the field to trailers that distribute relief foods. High fuel costs therefore means high costs considering the fleet of vehicles that KRCS hold and also the fact that they are involved in long distance

Another economic factor that has had an effect on the operation of KRCS according to the interviewee is the weakening local currency against foreign currency. The interviewees recons that they deal with international suppliers that are paid in foreign currency more specifically dollar and Swiss Franc. The weakening status of the Kenyan shillings has seen the organization incur losses on foreign exchange despite the measure that have been put in place to mitigate such risks. Economic factors have also seen the organization cut down on human resource both in the head office and at branches level. This was an attempt to cut down on operational costs brought about by the unpredictable environment that the organization operates in.

The interviewees also indicated that employment is also an economic factor that has had effect on the operation of KRCS. This is so because, KRCS has had to review their salary scales upwards about two years ago to remain competitive in the NGO industry and such reduce staff turnover rate. This has also had a positive effect in the organization in that they are able to attract the right staff for the right job since staff feel they are rewarded fairly.

The interviewees also indicated that unlike in the yester years, the number of NGOs is increasing at an alarming rate and at the same time the number of donors are diminishing. This has therefore led to competition in the scarce donor funding. Inadequate funding from donors means that some project are not funded hence organization is unable to meet the set goals and objectives due to lack of funds. High interest rates have also affected the Operations of KRCS as they have resulted to high cost of Capital. Currently KRCS has to pay high interests on loan they hold with both local and foreign currency. This has affected their cash flow position and in general its operations as the high interest rates have had a direct effect on their annual budget.

The cost of labor has gone up and KRCS has no option but to remain competitive if it has to get qualified staff to work for them. Apart from salaries, there is pressure for employers to give other benefits such as car allowance, house allowances as well as competitive medical covers. This are additional costs that KRCS has to incur to ensure that there is low staff turnover. It is very had to get results from dissatisfied staff hence the reason why KRCS has to invest in their staff as this will have a direct effect on its operations.

4.5.2   Social Cultural Factors

It is evident that KRCS operations are affected by social cultural factors from the responses given by the interviewees. For example, the issue of drug abuse which is key in coastal Kenya has significantly affected KRCS Global Fund unit operations in that they are now moving to investing in expensive mobile clinics that are used to distribute syringes to drug users to reduce the rate of spread of HIV since it is an epidemic that do not seem to reduce even with the increased campaign that the organization has done to educate the youths in those areas against drug abuse.

Education level is also another social factor that affects the operation of KRCS. In some areas like North Eastern, the education level of communities living there is low. KRCS Human resource department faces challenges in getting human labor from those areas. This results to high investment costs in training to ensure that the staff in those areas are trained to the required level. In urban areas, the education level are very high and one of the challenges that the organization faces is overqualified staff that do not have experience and yet they demand high pay. This again translates to more resources invested in such staff in training to ensure that they meet the required standards of the society. Another social factor is population pressure that has resulted to land scarcity hence tribal intolerance. This has seen KRCS invest in reconciliation programs between tribes. For example in Maasai land where the Maasai tribe is constantly fighting other tribes that have settled in what the Maasai feel is their land.

Another example is in Turkana County where there are frequent clashes as a result of cattle rustling and KRCS has to be in the frontline in responding to such disasters despite limited resources. This has seen KRCS operate with limited resources as they have to distribute the few available resources to cater for all their programs to ensure they are always alleviating human suffering. Another social-cultural factor is the traditional beliefs that certain communities hold and practice. For example, in Northern Kenya and specifically Mandera and Garissa County, according to the respondents, it is evident that this communities do not allow just any gender to handle their patients. For Example, they do not like lady nurses due to their believes.

As such, it is very difficult to get clinical officers to go work in those areas as they only accept a specific gender which is difficult to get more so due to lack of education. Some communities still in Northern Kenya do not accept non-locals working in their region hence the locals are not educated and as such cannot provide quality services. This has been an issue affecting the resources of KRCS human resource department because they have to take the unqualified locals and invest in training them which results to delayed project implementations as well as high human resource budget both monetary and time wise.

4.5.3 Political Factors

As a result of the new constitution, there is devolution which has seen the emergent of county government. KRCS has taken advantage of this and also devolved its functions from the head office and created county offices which has brought about efficiency in delivering its duty of service to humanity across the country as it is well represented. The respondents were also keen to mention that devolution has been very beneficial to KRCS operations more so in health sector. As a result of devolving the health sector to County Government, KRCS has gotten into business through it's subsidiary, Emergency Medical Services (EMS) that offers ambulance services. EMS has been able to partner with County Governments in providing them with ambulance service at a monthly fee and this has boosted profits of EMS which are ploughed back to the disaster kitty of KRCS. At the same time, the counties that have taken up this ambulance services from KRCS EMS has seen the health status boost a great deal. Another political factor that has affected the operation of KRCS is corruption.

As a result of corruption, several donors have opted to carry out their operations through KRCS rather than giving the funding to specific arms of Government. For Example health sectors. UNICEF for examples approaches KRCS to establish and mange health referral facilities rather than giving the funding to Government institution because of corruption. This has increased confident\ that everyone has with KRCS. Insecurity is another political factor that has affected KRCS operations both positively and negatively. For example, the increasing terror attacks have seen KRCS resources diminish at an alarming rate. KRCS is always the first to respond to any terror attack in terms of evacuation casualties as well as tracing missing persons.

In the last 2years or so, there has been major terror attacks from Westgate, to Garissa University attack and well as the various terror attacks that happen now and then in Mandera. KRCS has a responsibility to respond and rescue the victims. This has seen its resources being used at a higher rate without any guaranteed source of replenishment. On the other hand, this insecurity issues have been in some way beneficial to KRCS in terms of due to its dedication to serving humanity and always being on the front line to respond to such disaster, it has gained publicity than ever before and Kenyans have put their trust in KRCS and they know they can always rely on KRCS as they go to areas where no one else would dare just to serve humanity and save lives.

Tax Policies have also had an effect on KRCS. For example, the current VAT Act do not exempt National Societies from paying VAT on services. It only exempts VAT on goods supplied to National Societies. 85% of KRCS purchases are on services and this has resulted to high operating costs as now KRCS has to pay for VAT on services which was not the case in yester years. Poor infrastructure in some areas of the country like Mandera has resulted to high operating costs more so because the cost of transport and communication in those areas is expensive.

The Society experiences high maintenance costs of their vehicles in those areas due to bad terrain which increases the cost of wear and tear. Those areas are also marked as hardship areas and this means that high human resource cost in those areas as staff in those areas have to be paid allowances such as hardship and risk allowances.

4.5.4 Technological Factors

The existence of social media platforms such as facebook, whatsapp and Twitter has put KRCS on the frontline. KRCS has a very dedicated team of information Technology and Communication officers and public relation officers who ensure that KRCS social media channel are always working. They have created relationship with the general public who are quick to get in touch with them in case of any disaster and this way KRCS has been able to be on the frontline in responding to emergencies. As a result of the current upgrade in technology of Fiber network, there is free WIFI all around KRCS offices and staff are able to work from anywhere not necessarily from their desks. This has improved efficiency. The availability of Laptops rather than desktop has also increased efficiency in the organization. This is so because most of the staff need to be in the field work and get real issues and they are able to generate reports on their finding within shortest time available enabling the staff to handle as many projects as possible.

The recent upgrade to Windows 10 has made office work easy. Windows 10 had many features and staff are able to use the many functions of Windows 10 to generate reports as soon as possible hence allowing organization offer real time solutions. It is very fast and efficient hence no wasting time doing manual work as the new window has so many applications that make work easier. KRCS vehicles including ambulances are fitted with high frequency radios that are linked with dispatch center. This makes communication between dispatch and crew easier more so in interior areas that are faced with poor network connections.

KRCS has also adopted a communication strategy using the Closed User Group (CUG) model. This is a platform that allows staff to communicate free of charge so long as they are using certain handsets. This minimizes cases of communication breakdown as a result of lack of airtime. Automation is also another technological factor that the respondent feel has had an effect on KRCS operations. They agree that automation has been expensive but it is worth. Currently, KRCS are using a software that has integrated all the function of the organization such as all requests are approved online from the line manager to the point of payment directly to the bank. This saves time and resources as it has seen reduction of paper work.

The Emergency Operation Centre (EOC) is also integrated with systems that enables them analyze the number of incidents and generate reports quickly on a case by case basis. KRCS has several software such as the CRM which manages the member's database. This helps them to easily track their members and as a result respond to emergencies within the shortest time possible. The software assists in managing members in such that it is able to capture the validation of a member as well as their location such that in case of an emergency, they already know which member is where hence saves on response time.

4.6   Strategic Responses by KRCS to Environmental Factors

The interviewees indicated that KRCS has put in place several strategies to deal with the environmental factors that affect their operations. As a result of the diminishing donor funding, KRCS has gotten into commercial business to generate funds. Currently KRCS has two subsidiary, EMS and The Boma Hotels which are profit making companies and their profits are ploughed back to the disaster kitty of KRCS.

In addition, KRCS is running projects that are generating revenue for them. For example, the WATSAN department has come up with farming projects in Turkana County where the farm produce is sold to generate revenue for the bigger KRCS. Other revenue generating programs include ICHA and training schools which runs the paramedic school, First Aid Training as well as Emergency Medical Technician courses as part of revenue generation programs. This are some of the strategies KRCS has adopted to cope with economic factors.

KRCS has also adopted a strategy that enrolls general public as members of KRCS and volunteers countrywide and this has improved network connection for KRCS. As a result of this, KRCS is fully informed of all happening round the country and incase a disaster occurs, KRCS is able to respond within the shortest time possible because it has people working for them from all corners of the country. KRCS has continuously invested in campaigns and as such it carries out campaigns on areas faced with drug abuse to increase awareness on risks involved in drug abuse such as contracting diseases such as HIV Aids. The awareness aim to reduce cases of drug abuse and such cut down on costs that the Society incur in managing victims of drug abuse.

Another strategy is by holding bank accounts in foreign currency. This is aimed at addressing the issues brought about by weakening Kenya Shillings which translates to foreign exchange losses. As indicated above, KRCS carry out business transactions in foreign currencies and the fluctuating value of dollar and Swiss Franc has resulted to high cost hence the need to hold foreign currency bank accounts which mitigate foreign risk. Other strategies adopted include getting staff from local communities and training them to the level required to work for the Society and posting those locals to areas that only accept their local community working for them. This reduces the rate of staff turnover and eventually cuts down on staff costs.

KRCS has also adopted a strategy of ensuring that it is up to date with changing technology. This has been made possible by the young, energetic and professional team of ICT officers who are always on the fore front to inform the Society on any technological changes and ready to train staff on any IT upgrade that is beneficial to the Society. As a result, the Society has always remained informed and gets firsthand information on any matter that requires its attention in its service to humanity. Other strategies adopted by the society include partnering with corporate organizations such as Safaricom Limited. For Example, in cases where the country is face by National disaster such as the Westagate attack and pandemics such as food shortage, Safaricom Limited has come in handy to set a paybill number where Kenyans can contribute and all funds received goes to specific project and are fully audited to ensure full accountability by the Society.

This has been necessitated by diminishing donor funding hence limited resources at the Societies disposal to carry out its operations. Another strategy according to the interviewees is the annual Gala Dinner organized by KRCS. Gala Night is a fundraising event that targets both individuals and corporate world to meet and fund raise towards boosting the disaster kitty of KRCS. It has been successful over the years because apart from raising funds it is also an opportunity for the participants to network and get new business links and ideas.

4.7   Strategic Alliances that KRCS has in Place

From the responses obtained from interviewees, it is evident that KRCS has gotten into strategic alliances to ensure effective operation. KRCS has gotten into strategic responses with County Government. For example, KRCS is working closely with County Government in the management of health facilities and health referral centers at County level a function that would have otherwise been difficult to execute without the partnership of County Government.

This include provision of ambulance services to County Government. Currently KRCS is engaging the County Government to manage the mobile clinics that were donated by the First Lady but are currently not working due to poor management by Counties. This are some of the ways of improving health services within counties and reduce mortality rate which will have a direct effect on operations of KRCS. Good healthcare means fewer incidences that KRCS has to respond to hence saving its limited resources.

Other Alliances according to the interviewees is partnering with other NGOs such as the United Nation Bodies. For Example, UNICEF and UNHCR works closely in ensuring good health care to Kenyan in areas that are more prawn to poor health. A good example is the Dadaab Refugee Camp which is managed by UNHCR. UNHCR has engaged KRCS to provide and run the camp on their behalf. UNHCR provides funding whereas KRCS manages the activity of the camp. This shows how much KRCS has built trust among prayers in the humanitarian sector

The Government is also a strategic Alliance that KRCS works closely with. For example, the ministry of Health has entrusted KRCS to manage the Global Fund (GF) project and for the years GF has been under KRCS it has emerged the best managed. It is reaching people in areas no one would have ever thought it would. KRCS has also gotten into strategic alliances with corporate world. For example, It works closely with Safaricom Limited. Safaricom is very active in pursuing its Corporate Social Responsibility (CSR) and considering the fact that key objective of KRCS is alleviating human suffering, it is only reasonable why KRCS and Safaricom Limited work closely.

4.8 Adoption of Strategic Positioning by KRCS

The interviewees indicated that KRCS has adopted strategic positioning in order to enhance its operation in the market. For example, KRCS has established county offices in all the 47 counties that makes it easy to reach each and every person that needs its care. KRCS also works with 70,000 volunteers round the country hence the reason they are able to respond to emergencies within the golden hour. The KRCS dispatch center is equipped with state of art equipment installed with latest technology. This enables the dispatchers to closely monitor the location and speed of each ambulance at any given time.

In case of an emergency, the dispatcher is able to raise each ambulance using the high frequency radio so they do not have to worry about poor network issues. The ability to monitor ambulance locations and their speed enables dispatch to decide which ambulance to dispatch incase of an emergency to ensure the victims are reached within the golden hour. KRCS has life members all round who come in handy incase of an emergency. This are the first people to respond to any emergency and stabilize the situation as the technical team is in transit. This is why KRCS is always the first to reach victims.

4.9 Differentiating Strategy adopted by KRCS

The respondents acknowledges that KRCS has adopted differentiating strategy that has seen the organization on the forefront of humanitarian work. KRCS has an Emergency Operation Centre that is equipped with state of art technological equipment. This allows KRCS to always receive news fast and first. Through the operation center, KRCS is able to monitor all events happening round the country and get updates of any disaster or emergency that they need to respond to. Another differentiating strategy is that KRCS has representation throughout the country. KRCS is able to reach areas that no other NGO would dare.

Due to its presence round country and distribution of resources all-round the country, all communities are aware of KRCS and that publicity has enabled KRCS reach the riskiest areas of this country without attacks unlike any other NGO. KRCS undertakes a lot of campaign that aims at alleviating human suffering. This campaigns have increased awareness among Kenyans hence the success of KRCS.It is because of this awareness that Kenyans will always respond to calls by KRCS to step in and assist in saving live. For example, during the Westgate attack, KRCS partnered with Safaricom to raise funds to cater for hospital bills for the victims. There was also a request to raise funds when some parts of Kenya were hunger stricken about three years ago "Kenyans for Kenyans". Kenyans responded to this call by KRCS and the funds raised were overwhelming. This is because of the reputation that KRCS has and the trust that Kenyans have with KRCS.

Another differentiating strategy that KRCS has adopted is accountability. The organization recons that trust is very important if it has to be successful in its duty of serving humanity. KRCS recons that accountability plays a big role in building trust. As such, the organization ensures that it accounts for all resources entrusted to it by either Government or Kenyans in pursuing any projects. In achieving accountability, KRCS is always on the front line to give feedback after every project it undertakes. For example, during Westgate Attack, KRCS was the only organization that had set up a tent for reporting missing persons and it was also able to get statistics of the number of victims that were involved during that attack. It also ensures a full audit is done on any funds received for specific projects and a full report is issued and is available to public explaining how such funds were utilized.

4.10 Measuring KRCS Performance

The respondents indicated that KRCS measure its performance through frequent assessment of both the staff and individual projects. This evaluations are based on comparing actual results against set targets. For Example, KRCS has adopted the Balance scorecard to measure the performance of it's employees. Each employee has set goals and objectives which are in line with the key goals and objectives of the organizations in general. Staff appraisals are done every half year to assess and evaluate the performance of each staff. From the appraisals, areas that need improvement are identified and staff are taken through continuous training to ensure that they have the required skills to perform the job. The organization is also keen to recognize good performance and reward according and this keeps the staff motivated hence improving performance.

KRCS works on programs. Each program from the beginning has set goals that must be achieved at the completion of the project. As such, KRCS is able to measure performance based on the evaluation done on each project. Any successful project means good performance by KRCS. In addition to this, KRCS had annual plans and budget that sets targets for the year. Once the budget is done and approved at the board level, each employee's owns it and there is continuous monitoring and control to ensure that at the end of the year the budget was met. The respondents also indicates that KRCS has five year strategic plan which guides the direction in which the organization wants to take. There are frequent evaluations don to ensure that the Society is on track and working according to the strategic plan.

Another differentiating strategy adopted by KRCs is that they have gone a step ahead and engaged in commercial activities that generates revenue to fund it's operations. KRCS like any other NGO is experiencing diminishing donor funding. Limited donor funding has not seen KRCS reduce its operations. If anything KRCS operations are always expanding. KRCS recons that the available donor funding cannot sustain its operation and has had to think outside the box on other avenues of generating funds. This commercial activities includes owning commercial companies such as Eplus and The Boma Hotel that are profit making and all profits made from this companies are ploughed back to the disaster kitty of KRCS. KRSc has also engaged in farming in areas like Isiolo and Turkana and the farm produce are sold and proceeds fund the disaster kitty of KRCS. Other revenue generating programs include ICHA, and Training school of KRCS.

4.11 Discussion

The study revealed that KRCS operations is affected by economic, Socio-Cultural, political as well as technological factors. These factors have both negative and positive effect on its operation. As such, KRCS has adopted strategies to deal with each of this factors and ensure that it meets its set goals and objectives. The study found that KRCS has been affected by the current inflation and as a result its costs of operations have gone up such as fuel costs. The depreciation in value of Kenya Shilling has also has an effect on operating cost as KRCS has some of its costs paid in foreign currencies. There has also been diminishing donor funding. The study found that KRCS has adopted strategies to deal with these economic factors which include engaging in commercial activities to generate more funds as well as holding accounts in foreign currencies to mitigate the risk of foreign loss.The research found that KRCS operations are affected by political issues. This political issues include insecurity, devolution, and corruption among others (Mattson, 1995).

Devolution for example has had a positive effect on the operations of KRCS as it has created business opportunities for Eplus. Currently county governments are the main clients of Eplus the ambulance company and has seen the company increase its profits which means more funds to the disaster kitty of KRCS. As a result of county government, KRCS is able to work with Ministry of Health at the county level and this has seen its efforts in improving health of Kenyans more efficient. On the other hand, insecurity in the country has resulted to reduced business more so for Boma Hotel as a result of fewer tourism activities in the country. It has also led to KRCS resources being depleted at a very high rate than planned due to the increasing cases of attacks. Corruption in the country has seen the National Government entrust KRCS with the Global Fund Project rather than giving funds for the project to arms of the Government that will just see such projects benefit a few unintended individual due to high corruption level in the Government (Smith, 2003).

The study found that technological factors have an effect on KRCS operations. Although the cost of keeping up to date with technology is high, KRCS recons that the benefits that comes with keeping up to date with latest technology is rewarding. As such, KRCS has invested heavily in latest technology from laptops to enable staff do reports while in the field, to social media, to latest information technology equipment in the Emergency Operation Centre. KRCS vehicles are also fitted with high frequency radios that enables communication in the interiors of the country. The dispatch centre for ambulances has state of art equipment that enables the dispatchers monitor the location of each ambulance and dispatch them to reach the victims of emergencies within the golden hour. The investment in technology by the organization has contributed a big deal to the organization being on the forefront in responding and handling emergencies at the golden hour (www.redcross.or.ke).

The research also found that Socio-Cultural factors have effect on the operations of KRCS. Such factors include, tribalism, certain religious and traditional beliefs and cultural practices. This factors have seen some communities fight and KRCS has always been on the fore front in bringing peace among such communities. As a result of racism and tribalism, it has been had for the human resource department to recruit staff of certain regions such as North Eastern. This has been an issue because communities from North Eastern only accept locals to work for them even in the health facility. The level of education in this areas is wanting and as such it is very difficult to get qualifies staff to work for the organization in such areas. As a result, the organization has been incurring training costs because they are forced to take locals and take them through comprehensive training programs to make sure they are trained to the required standards of KRCS before being posted to go work in these areas (Pearce and Robinson, 2005).

The study also revealed that KRCS has adopted strategic positioning, alliances and has differentiating strategy that are key attributes to the good performance of the organizations. This includes partnering with the government, corporate organizations as well as other NGOs such as the UN in delivering its key goals and objectives. The continuous campaigns that KRCS carry out to create awareness is also a strategy that KRCS has to ensure it remains relevant to the people it serves. KRCS has adopted strategies such as getting into commercial business to raise funds for its humanitarian operations as a result of the diminishing donor funding (www.redcross.or.ke).

KRCS is committed to serving humanity and as such it acknowledges that diminishing donor funding should not be a hindrance in delivering service to humanity. It is also clear from the research that KRCs is keen to measure its performance to always ensure that it's in line with set goals and objectives as well as in line with strategic plan.

The organization is actively using the balance scorecard as a tool of measuring performance. The board sets targets for the Secretary General from the big strategic plan of the organization. From there the goals are disseminated to line managers down to the lowest level of employee. Performance evaluation is done twice a year to ensure that each staff meets their set goals and objectives which are in line with the bigger goal of the organization. In addition, KRCS operations are in terms of projects or programs. Each program/projects has clear set goals and objectives right from the inception. At the end of the project period, an evaluation is done to measure if the set goals and objectives were met. This enables organization to frequently identify key strength and opportunities as well as weaknesses to ensure that it meets its overall goals and objectives (www.redcross.or.ke).

4.12 Summary of the Chapter

This chapter looks at the background information of the respondents and seeks to analyze the feedback received from the respondents. It looks at the factors affecting the operation of KRCS and its performance and seeks to find out how KRCS responds to these factors to ensure that it achieves its set goals and objectives.

It is evident that KRCS operations are affected by the unpredictable changes brought about by the fact that KRCS operates in a turbulent environment. This factors range from Social-Cultural, Economic, Political as well as Technological factors. From the analysis it is evident that KRCS has adopted strategies to respond to these unpredictable changes and the factors ranges from getting into commercial business to having strategic alliances with other NGOs as well as corporate organizations.

The chapter also looks into strategic alliances that KRCS has put in place as a strategic response towards the turbulent environment it operates in. KRCS has also adopted strategic positioning to enable it remain competitive in the market. Other strategies adopted includes differentiation strategy where KRCS aims at doing things different from other organization which includes getting into commercial business to raise revenue as a result of the diminishing donor funding.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1   Introduction

This chapter presents the summary of the findings from chapter four, recommendation and conclusion of the study based on the objective of the study. The objective of the study was to determine the strategic responses to the turbulent operating environment and performance of KRCS. The chapter also presents limitations of the study and suggestion for further study.

5.2   Summary

This study was intended to investigate the strategies adopted by KRCS to the turbulent operating environment and organizational performance. From the study, it was found that KRCS operations are affected by certain environmental factors that are unpredictable. These environmental factors include political, Socio-cultural, Economic, Technological as well as legal factors.

Political factors that affects KRCS operations include corruption, devolution, political instability and insecurity. The research found that these factors have had both positive and negative effect on the operations of KRCS. Devolution has had positive effect in that, EMS which is a commercial entity owned by KRCS has been able to acquire county government as its main client in the provision of ambulance services increasing its revenue and in turn its profitability which goes back to the disaster kitty of KRCS. Through devolution, it has been easy for KRCS to perform its operations throughout the country as it now works closely with ministries at the county level such as health ministries. Political instability has led to depletion of the societies resources. This is so because of the recent increase in number of terror attacks. KRCS has committed itself to alleviating human suffering and has been on the forefront in responding to terror attacks to ensure the lives are saved.

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The Society however operates with limited resources which means that it can only manage to respond up to a certain extent. Insecurity has also resulted to reduced tourism activities. This has directly affected the society considering it owns a five star hotel which is one of its strategy to raising more funds for its operations. Decreased tourism activities means reduced revenue for the hotel and as such reduced profitability hence limited funds for the Society. Political instability has resulted to high operational costs as it has had an effect on the economy as a whole. As a result, the value of Kenya shilling has gone down as the dollar rate goes up and this has resulted to increase in prices of certain commodities such as fuel. As a result of insecurity, it means that KRCS has to use expensive resource to reach some of the areas that are most hit by insecurity as it protects its staff from such attacks. Specifically, KRCS staff are forced to use charter flights while travelling to Mandera County as it is risky to travel by road yet this is one of the county that so much needs the help of the society and cannot be ignored. New tax policies have also had an effect on the operations of KRCS. KRCS has always been operating with the benefit of zero rate on VAT for all its purchases. The revised VAT act however does not exempt KRCS from paying VAT on services it procures. This has had an adverse effect on its costs considering that a huge percentage of KRCS procurement are on services and not goods.

The research also found that economic factors that affects KRCS operations include inflation, high dollar rate which translates to weakening of the Kenya Shillings, declining donor funding and interest rates. As a result of inflations, the cost of operations has gone up. High interest rates has seen the society borrow at a higher cost which is not sustainable. KRCS transact with foreign suppliers which means they pay the suppliers in foreign currency. High exchange rates has seen the Society record foreign exchange losses that are not sustainable and have highly affected the Societies resources.

Due to the increasing number of NGOs and the declining economy in the Country, the numbers of donors has gone down. This means that the society funding from the donor has been declining over the year. Even in cases where donor funding is available, donors are very keen to only fund certain projects while other projects in the society remain without funds. The research also found that the operations of the Society are affected a great deal by Socio-cultural factors. These factors include religious beliefs, cultural practices, education levels as well as entrepreneurial level. Some areas specifically in North Eastern have low education level. This makes it hard for KRCS human resource to recruit staff to work in those areas. This is also attributed to the fact that the communities in those areas have certain beliefs and practices that only allow locals to work for them. Due this low education levels, KRCS are forced to incur high training costs as they have to train locals to the level required so that they can deliver. Because of certain practices in such areas, there are frequent tribal clashes that KRCS has to always respond to in managing the situation to save lives. KRCS have had to invest a lot in this areas in its effort to maintain peace.

Other environmental factors include technological factors such as change in technology, social media and other platforms. KRCS appreciates technology and understand very well that to be able to deliver efficiently, there is need to keep up to date to the recent technology. As such, the Society has invested heavily in automation to reduce manual work and save on time as well as increase efficiency. This automation comes at a cost. There has also been increased use of laptops rather than desktops in the society considering the fact that most of the staff work from the field and are required to submit a report. It is only logical for such staff to use laptops if they are to give timely reports. KRCS has invested heavily in social media from facebook to twitter. This has come in handy in ensuring that the Society receives firsthand information from all over the country in case of an emergency and as such it is able to respond within the shortest time possible.

There has also been great investment on information technology in the dispatch center as well as the EOC as this are the heart of KRCS when it comes to disaster response. This has enabled the two centers to always receive news within the shortest time possible as they are always on the lookout for any updates of emergencies. The state of the art equipment stored in these two centers help the society to dispatch response within the shortest time possible and as such save as many lives as possible.

The study found that KRCS has adopted strategies to deal with this environmental factors such that they do not affect its operations in a negative way. This includes strategic alliances, strategic positioning itself as well as having differentiating strategy from the rest of players in the industry and that is why it has been the leading NGO in alleviating human suffering in the country. These strategies includes recruiting 70,000 volunteers country wide, having 64branches across the country, partnering with corporate organizations such as Safaricom as well as NGOs such as UNHCR as well as working closely with both the national and county governments. Other strategies include getting into commercial business that generate revenue to compliment the diminishing donor funding and as such ensuring that the disaster kitty is always funded.

Such commercial activities include the EMS an ambulance company fully owned by KRCS, the Boma Hotels as well as programs such as ICHA and WATSAN that engage in revenue generating activities to fund the disaster kitty of KRCS. The study found that KRCS is very keen in ensuring that it is performing. KRCS has very clear set goals and objectives. This goals and objectives are clearly stated in the KRCS strategic plan and it is what guides its operation. The Secretary General of the Society has a clear job description that is derived from the bigger strategic plan.

From his job description, lines manager generates theirs' and the same is disseminated to the lowest level employees such that all employees works towards achieving a specific goal. The Society has adopted the BSC as a tool of measuring performance and all staff are appraised twice a year. From the appraisals, areas that needs improvement and training are identified and worked on to ensure that every one is delivering as expected. Good performance is also recognized and this keeps the staff motivated to even work harder and meet set goals and objectives.

In additional to measuring employee performance, the society carry out its duties under projects. These projects are well defined from inception with clear targets. There is continuous monitoring and evaluation done on these projects to ensure that even as they progress they are in line with set goals and objectives. This always ensures that by the end of a project, the set goals and objectives are met. KRCS have annual plans and budget meetings designed to come up with budgets for the Society. This process engages all staff such that the budget is owned by the whole organization and not only by top managements. Once the budget is done and approved by the committee, it is communicated and signed off by all staff and everyone owns it. This process is important as it keeps everyone on the look out to avoid having a deficit at the end of the year. It is a control to ensure that all projects are operated within the set budgets and that there is always funds to carry out certain projects as stipulated in the budget. This is another strategy that KRCS uses to measure performance.

5.3 Recommendation

The study recommends that there is need for KRCS to be able to overcome unpredictable environmental challenges that are brought about by the turbulent operating environment it operates it if it is to survive. The study recommended that the Society should differentiates service offered from other NGO to remain relevant considering the limited resources available. The study recommends that strategic alliance should be adopted by nonprofit making organizations as a strategic response to partnered with other development organizations and the private sector to develop the infrastructure and assist in penetrating in all areas that need humanitarian services.

The study recommends that organizations should adopt strategic positioning such as ensuring full presence in the country. This includes having county offices in all counties and working closely with volunteers round the country. This reduces response time and ensure that many lives are saved. It is clear that KRCS is involved in emergency response and saving lives depends on the response time and skills. Volunteers should therefore be trained on first aid and taught the importance of responding within the shortest time possible to save lives.

 The study recommends that organizations should adopt Information Communication Technology. The study acknowledges that adapting technology is expensive but the benefits of technology out do the costs. As a result of technology, time is saved and efficiency doubles. In this day and age, no organization can afford to ignore technology otherwise it will be faced out of the market. The study also recommends that for KRCS to overcome the challenge of diminishing donor funding and high operational costs, it should engage in more commercial activities that generates funds to always ensure that the disaster kitty is funded.

The study also recommends that it is important for organizations to measure performance despite the challenges it faces from external environmental factors. This ensures that its operations are in line with set goals and objectives and acts as a check so that it does not deviate from set goals and objectives.

5.4   Conclusion

The study concludes that KRCS is affected by environmental factors which are unpredictable and it is important that it adopts strategy that enables it to deal with this factors and ensure that it remains operational and as such meet its goals and objectives.

The study also concludes that it is very important for KRCS to measure its performance more so considering the environment it operates in. This will ensure that its goals and objectives are clear and everyone is working to achieving those goals and objectives.

5.5   Limitation of the Study

The study was limited in that it was only carried out on one institution that is KRCS. Hence the findings were only related to the institution whereas there are various other NGOs with different strategic responses on environmental challenges. Another limitation of the study was time factor. The research was carried out under strict timeline.

The researcher gave her best in collecting data and analyzing the same to come up with detailed finds but if there was more time the results would have been more detailed. There was also a limitation on resources more so financial. The cost required to carry out the research from internet costs, to costs of stationeries required to put up the research together as well as transport cost was quite a challenge.

5.6   Implication of the Study on Policy, Theory and Practice

The study would be of importance in enhancing management theories since NGOs would be in a position to restructure their performance in such a way as to enable them meet overall organizational effectiveness and performance. The NGO Council that regulates all NGOs would be informed on the situation on the ground concerning NGOs to enable it offer the necessary support.

The Kenyan government would also get better informed when formulating policies and regulations that affect or relate to NGOs. The study also highlighted the overall organizational effectiveness and performance and also in policy formulation, especially at the institutional level. Future scholars can use the results of the study as a source of reference. The findings of this study can be compared with strategic management in other sectors to draw conclusions on various ways an organization can respond to competitive forces in the environment, contributing to theory building. To sum up, the study findings can add some knowledge to the existing body of knowledge and open up areas for further research. The findings would contribute to generation of knowledge on the competitive strategies employed by Non-Governmental Organizations in order to enhance performance resulting into theory building.

5.7   Area for Further Research

The research concentrated only on one organization, KRCS and therefore it would be useful to carry out a similar study across for all NGOs in general. The study was also keen to look at the strategic responses to turbulent operating environment and organizational performance. It would therefore be interesting to conduct a study to determine the possible extents that to which responses to turbulent operating environments would be fruitful.

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APPENDICES

APPENDIX I: INTERVIEW GUIDE

This Interview Guide seeks information on strategic responses to the turbulent operating environment and performance of KRCS. The information you provide will be used for academic purpose only.

Section A: General Information

Which department are you in?

What is your position in the organization?

How long have you been working with the organization?

Section B: Environmental Changes of the Organization

1. Which environmental changes do you consider to be influencing the operation of KRCS?

2. Have you been affected by the following environmental changes at KRCS?

   i) Economic changes, how did they affect its operation?

   ii) Political changes, how did they affect its operation?

   iii) Social Cultural changes, how did they affect its operations?

   iv) Technological changes, how did they affect its operation?

3. In what ways have you tried to deal with environmental changes

Section C: Strategic responses of the organization

4. Which strategies have been put into place to deal with environmental changes?

5. Has your organization tried to go to strategic alliances to deal with these changes with other organization? If yes how effective did you deal with the problems.

6. Has KRCS adopted strategic positioning in order to enhance its operation in the market? If yes how effective did it deal with the problem

7. Has KRCS tried to adopt differentiating strategy to achieve the goal set in ever unpredictable environment? If yes how effective did it deal with the problem

8. Explain how Child Fund has adopted strategies to exploit emerging opportunities in the macro environment

9. How does KRCS measure its performance to ensure that despite the turbulent operating environment it's still able to meet its goals and objectives?

APPENDIX II: INTRODUCTION LETTER

Head, Group Human Resource
Kenya Red Cross Society
P. O. Box 40712-0010
NAIROBI.

31st August, 2015
Dear Madam,

RE: REQUEST TO COLLECT DATA IN KENYA RED CROSS SOCIETY

I am a student at University Of Nairobi pursuing a degree in Masters in Business Administration majoring in Strategic Management. One of the requirement for this program is that I am expected to carry out a research project in an area of Strategic Management. As such, I am carrying out a research on the strategic responses to the turbulent operating Environment and performance of KRCS. This letter is to therefore to request that you allow me to conduct interview as per the attached interview guide through the head of the key departments in KRCS.

Once this study is complete it will enable the management of KRCS to be able to make more informed decision concerning the day to day running of the organization. Better, employee motivation can also be achieved using the information gathered in this study. Knowledge gathered will also be available to other individuals who will be interested in the field. The interview will take approximately 10 minutes. I have also attached here with a letter from University Of Nairobi relating to the same.

Yours Sincerely,

_____

Mwaniki Ann Nyawira
Reg. No: D61/75940/2012

UNIVERSITY OF NAIROBI

SCHOOL OF BUSINESS

MBA PROGRAMME

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

P.O. Box 30197
Nairobi, Kenya

DATE 11/8/15

TO WHOM IT MAY CONCERN

The bearer of this letter **ANN NYAWIRA MWANIKI**

Registration No. **D61/75940/2012**

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

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

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

Thank you.

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

11 AUG 2015

APPENDIX IV : DATA COLLECTION LETTER FROM KRCS

Kenya Red Cross

All correspondence to be addressed to:
The Secretary General
South "C" (Bellevue)
Red Cross Road, Off Popo Road
P.O. Box 40712, 00100 GPO, Nairobi, Kenya
Tel: (254-20) 3950000 / 3950303/3
Fax: (254-20) 3950444
Mobiles: 0723-266658, 0733-037000, 0733-333045
Email: info@redcross.or.ke
Website: www.redcross.or.ke

1st September 2015

Our Ref: HR/SURVEY/2015

Ann Nyawira Mwaniki
C/O Kenya Red Cross Society
P. O. Box 40712, 00100
NAIROBI

Dear Anne,

RE: APPROVAL TO CONDUCT ORGANISATIONAL SURVEY FOR COMPLETION OF POSTGRADUATE STUDIES

The above refers.

We have received your letter dated 31st August 2015 requesting approval to interview organizational staff as part of a survey, intended for the research project component of your postgraduate studies.

This has been approved, with the understanding that the data collected is only to be used in the context of your academic studies. Specifically, your MBA in Strategic Management at the University of Nairobi.

I take this opportunity, on behalf of the entire Management, to wish you all the best in your studies and the eventual application of the acquired knowledge in your role at the Society.

Good luck.

Yours sincerely,

Beatrice L.A. Kowiti
Group Head – Human Resources