

STRATEGIC MANAGEMENT PROCESS AT BAMBURI CEMENT LIMITED, KENYA

by Paul Wainaina

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**STRATEGIC MANAGEMENT PROCESS AT BAMBURI CEMENT
LIMITED, KENYA**

BY

PAUL WAINAINA KIMANI

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT
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OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF
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JANUARY 2019

DECLARATION

This research project is my own work and it has not been submitted for any degree or examination in any other university.

Signature: Date:.....

Paul Wainaina Kimani

D61/85587/2016

This research project has been submitted for presentation with my approval as the University Supervisor.

Signature: Date:.....

Prof. Evans Aosa

Department of Business Administration

School of Business, University of Nairobi.

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5 **DEDICATION**

This project is dedicated to my family for their support and love. I also dedicate to my employer Nairobi City County Assembly for their financial support.

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LIST OF ABBREVIATIONS

ARM	- Athi River Mining
EAPC	- East Africa Portland Cement
GDP	- Gross Domestic Product
PEST	- Political, Economy, Social and Technological Factors
RBV	- Resource Based View
SMP	- Strategic Management Practices
SWOT	- ⁴ Strengths, Weaknesses, Opportunities and Threats

ABSTRACT

Strategic management is applauded for reshaping organizations and improving their performance. Organizations that have adopted effective practices of management have a competitive advantage those that have not yet adopted these strategies. The adoption of practices of management which are strategic allows the organizations to well comprehend their position in the economically and also to select how best to make future decisions as well as the proper monitoring of the strategies in place. However, the implementation of various strategic management practices is recognized as a key management challenge. The aim of this study was to determine the strategic management practices at Bamburi Cement Limited and to establish challenges to strategic management practices faced at Bamburi Cement Limited. The study adopted a case study research design and used primary sources of data which was gathered using a semi structured interview guide. The interview guide was administered to 10 key respondents from various departments among them the human resources departmental manager, finance department manager, ICT department manager, public relations officer, the production department managers, sales and marketing officer, legal officer, procurement manager and other senior managers at the organization. The gathered qualitative data was analysed using content analysis. The study found that environmental scanning was used to a large extent by Bamburi cement and that external and internal environment analysis was carried of frequently and that the major staffs involved in the exercise were the key management staff in conjunction with consultants. The results also revealed that Bamburi Cement regularly reviews their formulated alternative strategies, which had been formulated to ensure that they conform to the organizations vision, mission statement and the core values. The finding also revealed that the Bamburi Cement carried out implementation of various policies within the stipulated time that the management of the Bamburi Cement reviewed the implementation of the various strategies frequently and corrective measures instituted within the shortest time. The study also found that the key challenges included inadequate resources allocation, lack of support of by management and organization leadership, lack of involvement of key stakeholder and employee resistance to change. The other factors included poor planning, unachievable implementation deadlines and targets, poor measurement of the results and lack of objectivity in assessing the results, lack of cooperation, poor reporting and communication.

2 CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategic management is a framework that is charged with the responsibility of governing managerial processes, proper resource allocation promoting decisions and aims while making the performance of a firm better (Aboramadan & Borgonovi, 2016). The implementation of strategic management practices in the different sectors in business has been in use for some time thanks to the demands of the market, different tastes and preferences of the client as well as technological advancements which occur so frequently (Brinkschröder, 2014). According to Bakar (2011), practices of strategic management are very crucial since they highly determine the success rate of the firm. These practices of strategic management allow the organization to clearly explain themselves and their objectives which gives a mutual objective and focus on the activities to the staff as well as to the entire world (Andrews, Beynon & Genc, 2017). Frank (2013) suggested that the practices of strategic management enhance effectiveness and efficiency in the different firms.

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The resource-based view (RBV) states that the assets belonging to a firm contribute immensely to the application of strategic management process. Therefore, it does not matter how effective the strategies are if there are no available resources to allow for the application, these strategies will always remain to be plans (Omsa, Ridwan & Jayadi, 2018). Hernández and Bautista (2017), states that the dynamic capabilities theory states that the Organization's capability to undergo

transformation and to be reorganized again so as to add value shall be noted in the obtained utilities. The contingency theory however describes that there isn't one the most preferred approach to control a firm and therefore suggests that organizations should have strategies that are strategic depending on the environment and circumstances that those specific firms are going through (Ologbo, Oluwatosin & Kwakye, 2012).

Strategic management is important to any organization that wishes to remain competitive in the market. Several of the well-known reasons include; strategic planning which is significant since it also for proper monitoring of the annual operative plans. Strategic management allows for the maximization and proper utilization of an organization's strengths while working on the weaknesses. Furthermore, strategic management allows for the guaranteed proper allocation of resources with regards to the most urgent and significant of liabilities to the least. In addition to that, strategic management ensures that skills and knowledge are put to good use for profit maximization in the organization.

In Kenya, the cement and manufacturing sector is very crucial since it is a major contributor to the linkage both forward and backward with the other industries on the economy and thus it can be used as an indicator of the current prevailing conditions economically. According to Njeru (2007), this is a major factor in revenue provision in the economy as it holds other economy sectors such as Energy and Power. In Kenya, the use of cement between 2006-2011 increased by more than double the increase of the GDP of Kenya at the same period of time. The growth rate of the cement industry over that period was 14.1 per cent and the major

contributor of that increase being the rising demand on housing, increased investment in the foreign building sector for commercial use and massive investments by the government (Ogango, 2014). However, due to the increasing cement demand in Kenya, the cement industries have in the recent past experienced an influx of competitors that has stirred local competitions (Edapal & Theuri, 2017)

1.1.1 Strategic Management Practices

Frank (2013) states that practices of strategic management relates to the beliefs, norms, assumptions, habits and frameworks on the development of strategy and the implementation existing in a firm which affects the development and application of strategies- either those that had been planned earlier or those emerging with time (Johnsen, 2015). Organizations adopt strategic management practices to in order to place themselves in a way where they can create new abilities and improve capacity to exploit and face new situations (Dauda, Akingbade & Akinlabi, 2010).

Strategic management practices have continued to attract attention and recognition due to the ever-changing organization's operating environment (Brinkschröder, 2014). According to Auka, (2016), the ⁵⁵ aim of strategic management practices is that Organizations get a competitive advantage that is sustainable through implementing the strategies which fully maximize their strengths, through taking advantage of their situational opportunities and at the same time minimizing on the eternal threats and lowering their weaknesses internally.

Strategic management practices are significant for organizations since they are used by the organization to determine where an organization is, where the organization is

going, and how it is going to get there and they have gained importance in recent years (Johnsen, 2015). Better practices of strategic management allows the firm to reduce confusion in the surroundings, giving a connection between the company and its surroundings which should be in line with the aims, values, resources, the surrounding external environment, the structures and systems of the company (Brinkschröder, 2014). Aboramadan and Borgonovi, (2016) states that the practices of strategic management give a sense of direction to the company and companies which adopt good strategic management practices are sustainable in the long run and meet their objectives.

1.1.2 Cement Industry in Kenya

In Kenya, the cement history was initiated back in 1930 but in 1933, East Africa Portland Cement (EAPC) started as a commerce firm in cement importation (Nderitu, 2015). In 1951, Bamburi Cement Ltd was established by Lafarge a firm from France as the major stake holder of Bamburi Cement Ltd. In 1974, ARM (Kenya) was founded with its major stake holder being the Paunrama family. At the beginning, it was for the extraction of minerals as well as its processing but later in 1996, the division of cement commenced their operations (Njeru, 2007). As at 31st December 2017, the cement industry in Kenya included six major firms, which were Bamburi Cement Limited, Athi River Mining Limited (ARM), East Africa Portland Cement Company Limited (EAPCC), Mombasa Cement Limited, National Cement Company Ltd, and Savannah Cement Company (Ogango, 2014).

This cement industry is major capital demanding with very few companies dealing with cement in possession of the high quality facilities. The manufacturing of Cement is high in the consumption of energy which is why the modernized plants of cement are very automated. These Cement companies work in economic environments with close connection to the economic cycle having a linkage of the back-forward with various other sectors such as transport as well as energy (Edapal & Theuri, 2017).

According to Ogango, (2014), the cement sector is a major contributor in changes observed in the climate debate and accounts of energy with up to 45 per cent of the costs incurred during cement production (Ogango, 2014). In Kenya, these cement companies have started using various competitive strategies in reflex to sectoral and economic pressures. Bamburi Cement Limited too has a formal strategy development process which is affected by both the internal and external factors (Wanjohi, 2013).

This industry also operates in a constantly changing and competitive environment and in order to manage survival in this environment, the companies must respond and adjust with social, economic and political environment (Edapal & Theuri, 2017). The major problems faced by the cement industry in Kenya consist of; protecting the climate of the region, raw materials and fuels responsible and effective use, health and safety of the staff being improved, emissions form carbon being properly managed, local trade tariffs that are un-harmonized within the region as well as the inputs rising costs (Nderitu, 2015). To mitigate these complexities

and further reduce process wastes, a number of ² cement manufacturing companies in Kenya have opted in implementing strategic management practices (Njeru, 2007).

⁶ 1.1.3 Bamburi Cement

Bamburi Cement Company is the most re-known manufacturer of cement in Kenya and its incorporation can be traced back in 1951. Bamburi cement controls 40 per cent of the market, followed by the ³⁵ East Africa Portland Cement Company Ltd and Athi River Mining, which have market shares of 24 per cent and 16 per cent respectively (Ogango, 2014). Bamburi Cement associated with Nguvu brand (Nderitu, 2015). The subsidiaries of this firm consists of; Bamburi Special Products Ltd, that is involved in production of the concrete paving blocks and other cement products under the unique brand name Bamburi Blocks, and Lafarge Eco Systems Ltd, that controls the mining reserves of Bamburi while relocating its quarries whenever need be (Babu, 2016).

With the advancements in technology for Bamburi Cement, the adoption of Strategic Management Practices is a key ingredient in its success. Bamburi Cement is in a very competitive market of the construction industry and hence the rising need for better management strategies. The rampant constructions from homes to buildings to even roads provides a good opportunity for Bamburi Cement to increase its market share and consecutively top up its profitability and the only way to achieve this is by managing the firm's resources properly. The management thus has to have strategic management policies in favor of this growing opportunity for business and growth.

Bamburi Cement has operations in both Kenya and Uganda and is enlisted in the Nairobi Securities Exchange under the construction and allied category (Wanjohi, 2013). The company has access to large natural resources and labour due to the fact that it's the only one located in Mombasa. Bamburi cement boasts of being among the most advanced technologically among cement producers in the African continent and through its innovation, the company has reached a wide clientele base as well as satisfying customer's evolving needs (Nderitu, 2015).

Bamburi Cement over the years has adopted sustainable business practices, which form an integral part of the way the company operates (Nderitu, 2015). Bamburi Cement continues to publish impressive financial results despite heightened competitive and cost pressures in Kenya's cement industry (Wanjohi, 2013). However, new entrants into the market has caused Bamburi Cement to strategically orient itself to the changing environment and make necessary strategic changes so as to secure its market share and continually improve on its services (Edapal & Theuri, 2017).

1.2 Research Problem

Strategic management is applauded for reshaping organizations and improving their performance (Andersen & Lie, 2013). Dauda, Akingbade and Akinlabi (2010) states that organizations that have adopted effective practices of management have a competitive advantage those that have not yet adopted these strategies. The adoption of practices of management which are strategic allows the organizations to well comprehend their position in the economically and also to select how best to

make future decisions as well as the proper monitoring of the strategies in place (Omsa, Ridwan & Jayadi, 2018). However, the implementation of various strategic management practices is recognized as a key management challenge. Amjad (2013), states that efficient application of these strategies seems to be hard because of the need to join efforts of the individuals in the various departments across the firm.

In Kenya, the cement industry is the leading key industrial sectors playing a major function in the increase of the GDP in the economy (Edapal & Theuri, 2017). The industry has however witnessed a transformation in the past five years including increased competition accentuated by the new entrants in the industry and their improved capabilities by the already existing companies which is promoted by the fast-growing cement and other related products market locally (Wanjohi, 2013). The cement industry however is relatively cost-inefficient compared to the cement industries of Egypt, China, Pakistan, and India and the sector is yet to achieve perfect efficiency in production (Ogango, 2014). ⁵⁴ Bamburi Cement is one of the most technologically advanced cement producing firms (Nderitu, 2015). However, Bamburi Cement as the major cement producer ⁵⁹ in the entire Sub-Saharan Africa region faces a threat of high cost of production and threat from new entrants (Babu, 2016).

On further examination of the studies carried out internationally, a study by Mintberg (1987) states that strategy involves attaining and maintaining competitive advantage through the use of exploitation of known emergent possibilities. Mwanzia (2009) concluded that the strategy development process at BSC is a

product of both planned and emergent strategies while acknowledging existence of strategic education and control practices of the company.

On the empirical point of view, some studies have examined this concept of Strategic Management Practices implementation across the world. A study by Karuhanga (2015) assessed the application of performance management strategies in universities in Uganda and realized that the application of practices of SM in the institutions of higher learning could be analyzed depending on the mission, vision and the strategies of the organization's individual performance objectives. Bakar et al (2011) carried out a research on application of SM practices in the Malaysian construction sector and revealed that practicing strategic management ensure that organizations meet their strategic goals in the long run but the focus of the study was the construction industry.

In Kenya, Ndung'u (2014) in his study examined the level to which strategic management practices were implemented by registered film entities and revealed that organizations perceive strategic management as essential in guiding their actions and decisions but the study focused on film production organizations. A study by Njiru and Wario (2014) also assessed the application of SM practices for the water and sanitation companies in Kenya and revealed that the impact of SM practices was empowering hence the organizations were able to realize profits while satisfying the ever-growing customer needs but the context of the study was water and sanitation companies. A number of studies have been carried out on strategic management practices but very few have focused on the cement industry mostly in Kenya. This created an empirical literature gap which the study sought to address

by ¹³ examining the effect of strategic management practices at Bamburi cement limited. Which are the ⁶ strategic management practices at Bamburi Cement?

1.3 Research Objectives

The objectives of this study included

- i. To determine the strategic management practices at Bamburi Cement Limited.
- ii. To establish challenges to Strategic Management Practices faced at Bamburi Cement Limited.

1.4 Value of the Study

The findings of this study highly benefits the Government since these strategic management practices can be applied across the various sectors in the governmental departments to ensure efficiency and effectiveness. The Government should be in a position to allocate the necessary resources to the correct sectors and thus enhanced transparency and accountability.

Bamburi Cement should use this information obtained to enhance their management practices. The top management should incorporate these proven and tested strategies which result to better overall performance in all aspects and not just in the manufacturing department. These strategies should also be helpful to Bamburi Cement in a bid to ⁵⁰ gain a competitive edge over their competitors in the market.

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This study should be of great help to the scholars and the academicians as to highlight on the areas that need further research and studies. These practices should open up other potential areas of study for the scholars to dig deep into.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter contains the theoretical foundation of this research, a review of the literature on strategic management practices as well as their effect on the performance of firms. The chapter also contains literature on the challenges faced by firms in implementing strategic management practices and the empirical studies carried out on the study and the various literature gaps arising from the reviewed studies.

2.2 Theoretical Foundation

The resource based view theory; the contingency theory as well as the dynamic capabilities theory should form the theoretical foundation for this study.

2.2.1 Resource-Based View Theory

This theory was advanced by Penrose (1959) and insists that companies are full of resources, which offer services for their growth and development. This theorem is developed from the fact that the origin of an organization's competitive edge over its competitors is usually found in their general assets internally, as compared to the their external market position in the economy (Hoskisson et al., 2018). The RBV conceptualizes firms as bundles of heterogeneous resources distributed across firms that exist over time, these resources are valuable, non-substitutable, rare, and inimitable that enables the firm to achieve a competitive advantage (Abesiga, Netswera & Zziwa, 2015).

The RBV's guiding principle states that organizations are unique from each other since each company has a different set of assets both the tangible and the intangible and the various organizational structures to ensure those assets are put into proper use (Ologbo, Oluwatosin & Kwakye, 2012). RBV concentrates ³ on the accrued rents to the owners of rare assets specific to a particular company as compared to the returns on investments which would have been gotten from the market positioning of the company (Hoskisson et al., 2018).

The major component of RBV is to answer the important question of just how an organization realizes and ensures sustainability of its competitiveness (Omsa, Ridwan & Jayadi, 2018). In his study, Johnsen (2015), suggests that based on the RBV aspect, SM practices are made into concepts with the ability of both internal and external factors put in line, and this process could possibly be in terms of patterns, plans, perspectives, positions as well as plots. Based on the RBV theorem, a company's internal strengths estimates the decisions it takes with regards to being competitive in the market. This is in accordance with the effect of SM practices having on the general performance in a company.

⁹ 2.2.2 Contingency Theory

The contingency theory is normally associated with Donaldson (1999) based majorly principle that there is not a most preferred way of controlling and evaluating firms. Therefore, companies should avoid management by a single most prevalent approach but they should introduce effective and efficient strategies of management with regards to the given circumstances they are currently undergoing

(Ologbo, Oluwatosin & Kwakye, 2012). This theorem encourages firms to realize effectiveness and efficiency through uniting its characteristics with unpredictable events which point to its circumstances (Junqueira et al., 2006).

This theorem points out that firms should align their structure to their contingency (Hoskisson et al., 2018). The contingency theory aims at showing that companies should not necessarily be monitored by a single approach but they should consider other outstanding strategies which are dependent on the specific circumstances that the company may be facing currently (Nason & Wiklund, 2018).

The contingency perspective on the style of management that stresses that one given strategy to monitor and control situations is always the best in every circumstance. The theory urges the top management to keenly examine the individual and circumstances differences before taking a decision (Raduan et al., 2009). In their study, Hoskisson et al., (2018) suggest that this theorem also shows that the specific firms should come up with different strategies of management depending on the current situations on the ground. In a nutshell, while strategies are being formulated and integrated, these SM practices shall be implemented by the management as the guiding principles in strategic decision making.

2.2.3 Dynamic Capabilities Theory

This dynamic capabilities theorem was founded by Teece, Pisano and Shuen (1997) who expounds that the abilities of a firm entails the capability of an organization to support both its external and internal propensities in relation with the changing circumstances (Hoskisson et al., 2018). The dynamic capabilities are

dependent on the organizational processes of joining, configuring again as well as getting resources or disposing of the resources so as to ensure persistence in the market changes or so as to introduce such changes in the market (Ahenkora & Adjei, 2012).

This theory, explains how combination of resources and assets can be done, used while being protected by the firm (Hernández & Bautista, 2017). The theory emphasizes abilities to be in the mechanisms through which companies study and gather new knowledge and skills. These abilities are majorly focused on using and pairing various assets, abilities are made up of the skills, that is gained through training within and without the company (Abesiga, Netswera & Zziwa, 2015).

The theory explains that the adaptation of the capabilities is undertaken to address the uncertain organization's operating environment (Amjad, 2013). The capabilities are what makes the organization different from other organizations and they include procedures and processes that enhance the core competencies of the organization (Ologbo, Oluwatosin & Kwakye, 2012). These great abilities are important to the coming up of companies with a setting that is technological and the process of advancements and increment (Hernández & Bautista, 2017). This theorem creates concepts of both managerial and organizational procedures as great pillars of a company which allow Organizations to choose various ways and already existing assets to form their abilities.

2.3 Strategic Management Practices

According to Mišanková and Kočišová (2014), strategic management practices entail a summary of these major procedures including: the creation, application and monitoring of well-established strategies. Omsa, Ridwan and Jayadi (2018) for instance explain that the main factors of strategic management consist of analysis of the environment, setting a corporate mission statement, creation of strategies and the resulting implementation and monitoring. This study will focus on environmental scanning or situational analysis, strategy formulation, strategy implementation and strategy evaluation.

While evaluating the environment, the organization conducts its own audit of internal as well as the external surroundings that consists of its social, economic, demographic, cultural, governance, political, legal and technological surroundings (Omsa, Ridwan & Jayadi, 2018). This step includes the pointing out of external threats and opportunities, as well as examining the internal weaknesses and strengths (Mohammed, 2017). The other major function of environmental analysis involves the firms' long-term decisions and describing the terms of business to see to it that the correct and accurate strategies are used by the firm based on the prevailing conditions of the market (Alozairi & Aga, 2017).

The creation of strategy involves the introduction of a mission and vision statement that points out the possible threats and opportunities, while focusing on the weaknesses and strengths internally, with the aim of determining long-term goals, establishing different strategies as well as deciding on the strategies to accomplish

(Mišanková & Kočišová, 2014). Mission, vision and core values are important tools in guiding the organization in understanding why it does what it does, what the organization is doing and what guides what it does. These tools must be included in the process of developing strategy of the organization (Mohammed, 2017). Strategy formulation is realized through checking the major goals and structures of a firm, choosing the alternative available options, keenly analyzing the alternatives and finally settling on the best choice (Maroa & Muturi, 2015).

Strategy implementation dictates that an organization creates annual objectives, comes up with policies, motivates staff, and allocates adequate resources to enable the execution of formulated strategies (Omsa, Ridwan & Jayadi, 2018). Strategy implementation includes four common elements: choosing the general objective, creating the plans and strategizing, providing the necessary resources and making budgets for them while analyzing and managing the process. Strategy implementation addresses these activities to be done so as to realize the set goals, timelines for the application and progress monitoring and controlling (Sutić & Jurčević, 2012). This application stage is the one that starts actions with regards to the set plans (Bakar et al., 2011).

Strategic evaluation describes the procedures which caused the various changes in the set decisions on the application of these strategies if need be. By evaluation, receiving feedback, adjustments in the information given, for instance the firm's vision and mission is not of essence, that the firm's strategies and plans are not realizing their intended output, or that the mission statement was not properly implemented (Auka, 2016). Evaluation of strategy is the major way of determining

when specific strategies are not functioning well (Sutić & Jurčević, 2012). This is the phase of SM procedure whereby the top management tries to ensure that the strategy is well applied and exceeds the firms' expectations (Dauda, Akingbade & Akinlabi, 2010)

2.4 Challenges in Implementing Strategic Management

Mostly, the challenge that occurs in strategy management practices application problems consist of deficiency of resources, reduced time for strategy application, poor communication systems and resistance to change (Dauda, Akingbade & Akinlabi, 2010). Both ⁶ internal and external factors also influence implementation of strategic management practices. The internal factors include top administration, minimal communication; human resource challenges for instance the resistance to change and new conditions. The external issues include rapid changes to the surroundings, unforeseen competition in the market or the entry of latest industry competitors in the sector and evolving policies of the government (Okpara, 2007)

According to Ndung'u (2014) the challenges such as failure to conducting SWOT analysis at the formulation stage, managing change and the effectiveness of their governance structures at their implementation phase and ongoing assessment of strategic initiatives, overall participation, success of corrective action to failing or sub-optimal strategic initiatives and openness to collaborative initiatives at their evaluation phase. In addition, lack of sufficient and clear communication also is a big problem experienced in the application of strategic initiatives in many cases. The low quality transfer of information vertically does not just minimize strategic

communication but it also reduces the negotiations of these challenges themselves (Birinci & Eren, 2013)

Okpara (2007) posits that the detrimental condition of infrastructure used socially as well as the inconsistency in politics is yet another challenge in the firm's management strategically. Mostly, these cases are termed as outdated and this makes the companies to go back to the initial creation stage after acquiring unexpected risks and huge losses. ⁷ Elwak (2013) assessed the challenges faced by firms in strategy implementation and the measures employed to minimize the incurred in the application and utilization of strategies and realized that the forces driving the industry such as competition, varying conditions of the economy have a very big impact on the application of these strategies.

2.5 Empirical studies and Research Gaps

In their study, Alozairi and Aga (2017) examined the strategic management practices in real estate businesses in Erbil. The study sampled 444 participants and used a quantitative technique to collect data on strategic management in real estate companies. The findings established that the most effective strategy was cost leadership strategy for real estate businesses, since the study area was negatively affected by heavy economics and financial crisis. The study recommended that real estate companies should implement acquisition strategy in order to remain in the marketplace. The context of this study was however, real estate companies which operate in a different manner to manufacturing firms.

Mohammed (2017) investigated the application ¹³ of strategic management practices among Saudi Arabian construction industry. The study used surveying and collected data from 124 respondents using questionnaires. The findings showed that a good number of the companies in Saudi Arabia were practicing strategic management and that those firms had very well stipulated goals and an appealing mission and vision statements to propel the firm to its future destination which is success. This particular study concentrated on the construction and building industry in Saudi Arabia.

In Kenya, Issack and Muathe (2017) examined the effect of SM practices on the organizational performance ³³ of public health institutions at Mandera County. This research study employed a mixed research design method and sampled 50 respondents. The results established that environmental analysis, the creation, execution and monitoring of these strategies resulted to a ¹¹ positive and important impact on the performance of public health institutions in Mandera County. The study however focused on public health institutions.

Guchu (2014) studied the strategic management practices undertaken at Parliament of Kenya. ²⁵ The study used a case study of the Parliament of Kenya and employed ² both primary and secondary data collected from 10 managers through an interview schedule. The study used content analysis to analyze the data and revealed that the strategic planning processes were reviewed constantly so as to improve on the performance and the resulting performance measures. The context of the study was however the Kenyan parliament whose operation and management are different than public listed entities.

¹⁹ Birinci and Eren (2013) examined the effects of strategic management practices on the performance level of the universities in Turkey. This research study assessed the extent to which practices were implemented in universities. The study observed that the universities operating in Turkey did not adopt strategic management practices and ²¹ they did not pay enough attention to the competitive conditions and use strategic management practice adequately. The study however focused on the education sector which cover universities and not manufacturing entities.

Nyariki (2013) examined the SM ³ practices and their impact on the financial performance of SMEs in Kenya while utilizing the design of descriptive cross-sectional research. ²³ The study sampled the top 100 SMEs in Kenya and collected data using questionnaires from the top managers. The findings showed that some major external factors immensely led to the implementation of the new strategies while internal issues such as internal procedures, administration, the capability to come up with efficient strategies affected the firm's ability to execute the new strategies. The context of the study was small and medium enterprises and not manufacturing firms.

Meyer, Pascucci and Murphy (2012) also assessed the implementation of strategies in two different Brazilian nonprofit making hospitals. The study used the qualitative case study and they collected data through interviews, keen observation of the non-participants and also through documents. This study found that the application of these strategies in the hospitals must be involved with the procedures that have been adopted (how) as well as the practitioners (strategists) who will be involved. The study also found that the SM practices are executed in a parallel way in parallel as

compared to the plans made formally and also informally. The context of the study was non-profit hospitals and not profit-making entities.

Riungu (2008) assessed the strategic management practices at Cooperative bank in Kenya. The study collected data using an interview guide from three general managers drawn from finance and administration, institutional banking and retail banking divisions. ⁹ Using descriptive statistics and content analysis, the findings revealed that the bank uses cost leadership and retrenchment strategies to a large extent while market penetration was the least used strategy. The study also found that these SM practices ² had a major positive effect on the financial performance of the bank. The study focused on banking sector and not the manufacturing sector.

5 CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The research methodology section evaluates the design used by the researcher, the location of the study, the targeted group or population, the relevant size of the sample as well as the appropriate sampling processes. The research study also included the tools used to gather data, the collection methods for data as well as the method used in the evaluation and analysis of the collected data.

3.2 Research Design

The design of a research is the conceptualized structure with which the research is conducted; it makes up the outline of the data gathering, analysis and recording. It summarizes the activities that the researcher is involved in from writing the hypothesis to the conclusive evaluation of the data (Creswell, 2014). In consistency with previous studies among them Guchu (2014), Riungu (2008) and Nderitu (2015), this study adopted a case study research design.

A case study research design includes detailed and very intensive and conclusive study of a single unit. The design of case studies permits for utilization of mixed methods for validation of evidence on functioning of a system. According to Yin (2014), case studies draws evidence from varied sources, which include verbal reports, archival records, interviews, review of documents, observations, or combination of these sources. This research design is most relevant when detailed and in-depth evaluation of a single unit of study is desired. A Case study research

design gives very concentrated and immensely valuable information of the phenomena which could otherwise be very general and not comprehended by many.

1 3.3 Data Collection

This research study used primary sources of data. This primary data was gathered using a semi structured interview guide to obtain data on the extent of implementation of strategic management practices and the various challenges faced when implementing strategic management practices.

The interview guide was administered to 10 key respondents from various departments among them the human resources departmental manager, finance department manager, ICT department manager, public relations officer, the production department managers, sales and marketing officer, legal officer, procurement manager and other senior managers at the organization. The study considered the senior administration staff since they are well versed with the necessary data as they play a major role in the company and they are very significant in determining those strategic matters of the company.

3 3.4 Data Analysis

The gathered qualitative raw data was analyzed using content analysis. This Content analysis is a method of referencing through the systematical and objectively choosing special features of the messages and utilizing the same to relate to the current prevailing trends. Through this content analysis, the generated responses were categorized based on identified themes and the study objectives. In addition, the collected secondary data was also analyzed through content analysis.

After the analysis is completed successfully, the information was presented in form of direct quotations and selected comments. This was useful to interpret the results thereof obtained. This elaborates more on the findings to give a clear understanding of the respondents' answers in relation to strategic management practices at Bamburi Cement Limited, Kenya.

3 CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This study aimed at determining the strategic management practices at Bamburi Cement Limited and to establish challenges to strategic management practices faced at Bamburi Cement Limited. This chapter therefore presents the results of the respondents profile, the strategic management practices at Bamburi and the various challenges affecting Bamburi cement in implementing strategic management practices.

39 4.2 Respondents Profile

This section covered the respondents' level of management and the period the respondents had worked at the organization. The results revealed that 50% of the respondents were middle level managers, 30% were senior managers and 20% were low-level managers at the organization. The results on the period the respondents had worked with the organization established that 40% of the respondents had worked at the organization for less than 10 years whereas 40% had worked for between 11 and 20 years while 20% had worked at the organization for more than 20 years. This indicates that all the respondents were knowledgeable about the organizations operations, as they had worked with it for a god number of years.

4.3 Strategic Management Practices

⁴ This section sought to establish the extent to which Bamburi Cement Company employed various strategic management practices. The ²⁹ strategic management practices included environmental scanning, strategy formulation, strategy implementation and strategy evaluation.

4.3.1 Environmental Scanning at Bamburi

³⁸ Under this section, the respondents were asked the extent to which the organization employed environmental scanning and how often the organization carried out external and internal environment analysis. Additionally, the respondents were asked the key tools they used when carrying out environmental analysis and the key areas considered during environmental analysis and the major steps used during environmental analysis.

The results of the extent to which the organization employed environmental scanning the results established that environmental scanning or situational analysis was used to a large extent by the organization. Most of the respondents indicated before any strategy was formulated a situational analysis would first be carried out to assess its viability and whether the organization needed a new strategic plan and its suitability. The respondent indicated that the organization conducts its own audit of internal as well as the external surroundings that consists of its social, economic, demographic, cultural, governance, political, legal and technological surroundings before instating any strategy.

On how often the organization carried out ²⁷ external and internal environment analysis ^{the} respondents indicated that external and internal environment analysis was carried out frequently and that the major staff involved in the exercise were the key management staff in conjunction with consultants who were normally hired on an occasional basis by the organization. According to the respondents, the frequent ³⁷ analysis of the external and internal environment assisted in establishing the external threats and opportunities, as well as examining the internal weaknesses and strengths facing the organization.

Additionally, on the key tools used by the organization when carrying out environmental analysis the respondents indicated that the most used tools included the SWOT analysis, which entailed the assessment of the ⁴ strength and weaknesses of the entity and the available opportunities and threats. The other used tool was the PEST analysis which entailed the assessment of the political, economic, social and technological factors and the Porter's five models to analyse the competitive position of the organization. The respondent further indicated that the organization also used the critical success factor analysis and scenario planning in addition to SWOT analysis, PEST analysis and the five forces model.

On the major steps used by the organization during environmental analysis, the respondents indicated that the organization follows four major steps. First, the organization would identify the participants who will take part in environmental scanning and their responsibilities and then gathering information about the economy, government laws and the construction trends in the country. The respondent indicated that the key tools for gathering information included

questionnaires, conversations with supplier and key customers and market research through consultants. The third step included reporting the results on the key trend and issues, which have been identified from the gathered data, and finally acting on the results and choosing the best course of action.

4.3.2 Strategy Formulation

Under strategy formulation, the respondents were asked how often the organization reviewed and develop alternative strategies and the key tools used in used in identifying and formulating appropriate strategies. The ¹ respondents were also asked to indicate the factors the organization considered when formulating strategies and the major sources for alternative strategies and the various parties involved in strategy formulation.

The findings on how often the organization reviewed and developed alternative strategies indicated that the organization regularly reviewed their alternative strategies, which had been developed to ensure that they conform to the organizations ³⁶ vision, mission statement and the core values. According to the respondents, the regular review of the alternative strategies was key in incorporating new strategic plans with the already existing ⁴⁶ long-term plans of the organization.

The result of the key tools used in identifying and formulating strategies, the respondents indicated that the mission, vision and core values are important tools in guiding the organization in understanding why it does what it does, what the organization is doing and what guides what it does. The respondents also indicated

that they used the business portfolio analysis technique to formulate strategies on the sound financial investment and the critical question analysis technique to link the organization purpose, environment and what can be done to achieve better results in the future.

In addition, the ¹ respondents were also asked to indicate the factors the organization considered when formulating strategies. The respondents indicated that the organization mission, vision and core values were the key factors that were considered before new strategies are formulated as any new strategy must fit within the mission, vision and core values. The other factors which the respondents includes the organizational resources among them financial, human and technological resources in the organization and also market factors which affect the demand and supply of products in a country.

Finally, the ¹⁶ respondents were asked to indicate the major sources for alternative strategies and the various parties involved in strategy formulation. The respondents indicated that customers, industry trends, competitors were the major sources of strategy. Additionally, the respondents indicated that employees, consultants, research and development and the organization mission were key in formulation of strategy. On the various parties involved in strategy formulation, the respondents indicated they management staff the mostly involved was formulation of strategies although employees would be normally asked to give their suggestion and areas in which they think the organization should improve and the areas which were not performing well.

4.3.3 Strategy Implementation

On strategy implementation the respondent were asked whether the organization implements its strategic policies within the stipulated time and whether organization involves all stakeholders ¹⁸ during the implementation of the various strategies. The respondents were also asked to rate their ⁴⁵ organization in terms of strategy implementation.

The finding on whether the organization implements its strategic policies within the stipulated time. The respondents indicated that the implementation of various policies within the stipulated time would depend on a number of factors though most of the policies would be implemented within the stipulated time. The respondents indicated that since Bamburi was a listed public company implementation of it regulatory authorities and the board of the company, which at times would need to be consulted, would influence strategies. Consultation of the board at times would delay the implementation of the major alternative strategies since the board meets during specific times in a year and the approval process sometimes would be lengthy especially if the implementation of the strategy entailed change of business models.

On whether the organization involves all stakeholders ¹⁸ during the implementation of the various strategies, the respondents indicated that only the key stakeholders would be involved. The key stakeholder included the company board of directors, the key management staff and various representatives of the employees and external parties like regulatory agencies and suppliers. The respondents also indicated that

frequent communication would be carried out to ensure all stakeholders are informed and updated on the progress of the ⁴⁴ implementation of the various strategies at the organization. According to the respondents, the organization considered the communication of all strategic implementation process as key and the management placed emphasis on the same.

On the organization rating in terms of implementation of the formulated strategies, the respondents indicate that it was good. The respondents indicate that among the formulated strategies most of them would be implemented despite the various challenges facing the organization. In addition, the respondents indicated the way the management communicated the implementation process of the various strategies formulated by the organization was excellent and also the involvement of various stakeholder during strategy implementation was also good.

4.3.4 Strategy Evaluation

¹ On strategy evaluation, the respondents were asked to indicate how frequently their organization reviews its strategic management practices and whether their organization takes corrective actions within the stipulated time and after critical evaluation of strategies. The ⁵ respondents were also asked to indicate whether the organization communicates the outcomes of strategic review within time to all parties in the organization.

The respondent indicated that the ⁵ management of the organization reviewed the implementation of the various strategies frequently and corrective measures instituted within the shortest time. The respondents indicated that various

departments were tasked with reviewing the progress of the various strategies and reporting any deviations to the relevant authorities. The respondents indicated that the regular review of the organization strategies and how they been implemented was key in determining whether specific strategies were not functioning properly.

On whether the organization takes corrective actions within the stipulated time, the respondents indicated that the management took corrective actions within the shortest time possible once a deviation was reported. According to the respondents, such would be achieved by questioning the various parties who were tasked with the responsibility of implementing a specific task or a specific part of the strategy.

Finally, on whether the organization communicates the outcomes of strategic review within time to all parties in the organization, the respondents indicated that the management communicated all the key decisions with regards to successful and unsuccessful strategies. According to the respondents, the management ensure that any deviation from the plan is communicated and corrective actions taken with the shortest time. Additionally, the respondents indicated the management rewards the best performers and reprimands the worst performers and encourage employees regularly to make sure they work towards the achievement of the organization goals.

16 **4.4 Challenges in Implementing Strategic Management**

The respondents were asked to indicate the major challenges the organization faces during 26 environmental scanning, strategy formulation, strategy implementation and strategy evaluation. On environmental scanning, the respondents indicated that the

major challenges included faced by the organization at the environmental scanning stage include inadequate resources allocation as most resources would be allocated to day to day operations as opposed to strategic issues, failure of the management to integrate some of the results of environmental scanning citing cost issues and poor methods of gathering information. The respondents indicated that some of the management staff and board members ⁴³ do not consider research and development as an important function in strategic management and lack of expertise in research and development and high cost charged by consultants.

With regards to strategy formulation, the respondents indicated that the major challenges affecting strategy formulation included lack of support by the board member of the organization who believe that some of the strategies would not add value to the shareholders. The respondents also indicated that risk attitude by the management also affected strategy formulation, as some of the managers were risk averse and afraid of changing the status quo and brand new strategies as risky and costly. The other constrain which the respondents mentioned included lack of involvement of key stakeholder such as clients and failure to incorporate the views of various stakeholders at the organization.

On strategy formulation, the respondents indicate the major challenge was employee resistance to change and lack of goodwill by employees as they felt that implementation of new strategies would benefit someone else and not employees. The respondents also cited lack of proper planning by the implementers, allocation of inadequate resources, failure to undertake a pilot implementation process, lack of support by the organization leadership, lack of teamwork, insufficient leadership

attention, poor implementation structure, unachievable implementation deadlines and targets as the other constraints.

On strategy evaluation, the respondents indicated that the major barrier in strategy evaluation was poor measurement of the results of strategy implementation process and lack of objectivity in assessing the results, as the tools used are subjective. The respondents also cited lack of cooperation, poor reporting and communication of the results and poor reward systems as employees feel they are not recognized for their efforts. Additionally, the respondents indicated that lack of employee motivation, operational problems, lack of data for evaluation, short evaluation timelines, inadequate resources and funding to carry out evaluations.

5

4.5 Discussion of the Findings

The study established that environmental scanning or situational analysis was used to a large extent by the organization. The results also revealed that external and internal environment analysis was carried frequently and that the major staff involved in the exercise were the key management staff in conjunction with consultants who were normally hired on occasional basis by the organization. Omsa, Ridwan and Jayadi (2018) posits that while evaluating the environment, the organization conducts its own audit of internal as well as the external surroundings that consists of its social, economic, demographic, cultural, governance, political, legal and technological surroundings.

According to the study, the key tools used by the organization when carrying out environmental analysis included the SWOT analysis, PEST analysis, the Porters

five models, critical success factor analysis and scenario planning. The finding established that the major steps used by the organization during environmental analysis, included identifying participants who will take part in environmental scanning and their responsibilities, gathering information about the economy, government laws and the construction trends in the country, reporting the results on the key trend and issues and finally acting on the results and choosing the best course of action. Issack and Muathe (2017) established that environmental analysis, the creation, and execution and monitoring of these strategies resulted to a positive and important impact on the performance of public health institutions in Mandera County.

The study result also established that the organization regularly reviewed their alternative strategies, which had been developed to ensure that they conform to the organizations vision, mission statement and the core values. The findings found that the mission, vision and core values were the key tools in guiding the organization in understanding why it does what it does, what the organization is doing and what guides what it does. Mohammed (2017) posit that mission, vision and core values are important tools in guiding the organization in understanding why it does what it does, what the organization is doing and what guides what it does and the tools must be included in the process of developing strategy of the organization.

According to the results the organizational resources among them financial, human and technological resources in the organization and also market factors which affect the demand and supply of products in a country. The study also found that customers, industry trends, competitors were the major sources of strategy.

Additionally, the respondents indicated that employees, consultants, research and development and the organization mission were key in formulation of strategy. Maroa and Muturi (2015) explains that strategy formulation is realized through checking the major goals and structures of a firm, choosing the alternative available options, keenly analyzing the alternatives and finally settling on the best choice.

The result found that the implementation of various policies within the stipulated time would depend on a number of factors though most of the policies would be implemented within the stipulated time. The results also established that only the key stakeholders would be involved in strategy formulation among them company board of directors, the key management staff and various representatives of the employees and external parties like regulatory agencies and suppliers. The study revealed that the implementation of the formulated strategies was good and the way the management communicated the implementation process of the various strategies formulated by the organization was excellent and also the involvement of various stakeholder during strategy implementation was also good. Sutić and Jurčević (2012) indicates that strategy implementation addresses the activities to be done so as to realize the set goals, timelines for the application and progress monitoring and controlling.

The study ⁵ established that the management of the organization reviewed the implementation of the various strategies frequently and corrective measures instituted within the shortest time. The findings revealed that the organization takes corrective actions within the stipulated time, the respondents indicated that the management took corrective actions within the shortest time possible once a

deviation was reported. According to the results the management communicated all the key decisions with regards to successful and unsuccessful strategies and ensured that any deviation from the plan is communicated and corrective actions taken with the shortest time. According to Auka (2016) by evaluation, receiving feedback, adjustments in the information given, for instance the firm's vision and mission is not of essence, that the firm's strategies and plans are not realizing their intended output, or that the mission statement was not properly implemented.

The result found that the major challenges faced by the organization at the environmental scanning stage included inadequate resources allocation failure of the management to integrate some of the results of environmental scanning citing cost issues and lack of expertise in research and development and high cost charged by consultants. Dauda, Akingbade and Akinlabi (2010) posits that the challenge that occurs in strategy management practices application problems consist of deficiency of resources, reduced time for strategy application, poor communication systems and resistance to change.

The study also found that the major challenges affecting strategy formulation included lack of support by the board member of the organization, risk attitude by the management, lack of involvement of key stakeholder and failure to incorporate the views of various stakeholders. Okpara (2007) states that the major internal factors include top administration, minimal communication; human resource challenges for instance the resistance to change and new conditions. The external issues include rapid changes to the surroundings, unforeseen competition in the

market or the entry of latest industry competitors in the sector and evolving policies of the government.

According to the results the major challenge affect strategy implementation include ²⁰ employee resistance to change and lack of goodwill by employees, lack of proper planning by the implementers, allocation of inadequate resources and failure to undertake a pilot implementation process. The other challenges included lack of support by the organization leadership, lack of teamwork, insufficient leadership attention, poor implementation structure, unachievable implementation deadlines and targets as the other constraints. Ndung'u (2014) support that the challenges such as failure to conducting SWOT analysis at the formulation stage, managing change and the effectiveness of their governance structures at their implementation phase and ongoing assessment of strategic initiatives, overall participation.

Finally, the study found that the major barriers in strategy evaluation were poor measurement of the results of strategy implementation process and lack of objectivity in assessing the results, as the tools used are subjective. The results also revealed lack of cooperation, poor reporting and ⁴² communication, lack of employee motivation, operational problems, and lack of data for evaluation, short evaluation timelines, inadequate resources and funding to carry out evaluations. Birinci and Eren (2013) explain that lack of sufficient and clear communication also is a big problem experienced in the application of strategic initiatives in many cases. The low quality transfer of information vertically does not just minimize strategic communication but it also reduces the negotiations of these challenges themselves.

CHAPTER FIVE: SUMMARY, CONCLUSION, RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the study, the research conclusions based on the findings and recommendations as per the study conclusions. The chapter also presents the research limitations and suggestions for additional research.

5.2 Summary

5.2.1 Strategic Management practices at Bamburi Cement Ltd

The aim of this study was to determine the strategic management practices at Bamburi Cement Limited and to establish challenges to strategic management practices faced at Bamburi Cement Limited. The study adopted a case study research design and used primary sources of data which was gathered using a semi structured interview guide. The interview guide was administered to 10 key respondents from various departments among them the human resources departmental manager, finance department manager, ICT department manager, public relations officer, the production department managers, sales and marketing officer, legal officer, procurement manager and other senior managers at the organization. The gathered qualitative data was analyzed using content analysis.

5.2.2 Environmental Scanning

The findings on environmental scanning established that environmental scanning was used to a large extent by the organization and that external and internal environment analysis was carried out frequently and that the major staff involved in the exercise were the key management staff in conjunction with consultants who were normally hired on an occasional basis by the organization. The study also found that the key tools used by the organization when carrying out environmental analysis included the SWOT analysis, PEST analysis, Porter's five models, critical success factor analysis and scenario planning. Finally, the study found that the major steps used during environmental analysis, included participants identification, gathering information, reporting the results on the key trends and issues and finally acting on the results and choosing the best course of action.

5.2.3 Strategic Formulation

The findings on strategy formulation established that the organization regularly reviewed their alternative strategies, which had been developed to ensure that they conform to the organization's ¹ vision, mission statement and the core values. The study also found that the mission, vision and core values were the key tools in guiding the organization. In addition, the study found that the organizational resources among them financial, human and technological resources in the organization and also market factors which affect the demand and supply of products in a country. Finally, the study revealed that customers, industry trends, competitors were the major sources of strategy. Additionally, the respondents

indicated that employees, consultants, research and development and the organization mission were key in formulation of strategy.

5.2.4 Strategy Implementation

The findings on strategy implementation established that implementation of various policies within the stipulated time would depend on a number of factors though most of the policies would be implemented within the stipulated time. The result also found that only the key stakeholders among them company board of directors, the key management staff and various representatives of the employees and external parties like regulatory agencies and suppliers. According to the results, implementation of the formulated strategies was good and the way the management communicated the implementation process of the various strategies formulated by the organization was excellent and also the involvement of various stakeholder during strategy implementation was also good.

5.2.5 Strategy Evaluation

The results on strategy evaluation ⁵ established that the management of the organization reviewed the implementation of the various strategies frequently and corrective measures instituted within the shortest time. The study also found that the organization takes corrective actions within the stipulated time, the respondents indicated that the management took corrective actions within the shortest time possible once a deviation was reported. Lastly, the study found that the management communicated all the key decisions with regards to successful and unsuccessful strategies and ensured that any deviation from the plan is communicated and corrective actions taken with the shortest time

The findings on the major barrier in strategy evaluation were poor measurement of the results of strategy implementation process and lack of objectivity in assessing the results, as the tools used are subjective. The study also found that lack of cooperation, poor reporting and communication of the results and poor reward systems as employees feel they are not recognized for their efforts. Finally, the study revealed that lack of employee motivation, operational problems, and lack of data for evaluation, short evaluation timelines, inadequate resources and funding to carry out evaluations.

5.2.6 Challenges in implementing Strategic Management

The results of the major challenges included faced by the organization at the environmental scanning stage established that they key challenges were inadequate resources allocation failure of the management to integrate some of the results of environmental scanning citing cost issues and lack of expertise in research and development and high cost charged by consultants. The study also found that the major challenges affecting strategy formulation included lack of support by the board member of the organization, risk attitude by the management, lack of involvement of key stakeholder and failure to incorporate the views of various stakeholders

The results revealed that the major challenge that affects strategy implementation was ²⁰ employee resistance to change and lack of goodwill by employees, lack of proper planning by the implementers, allocation of inadequate resources and the failure to undertake a pilot implementation process. The result also established that the other challenges were lack of support by the organization leadership, lack of

teamwork, insufficient leadership attention, poor implementation structure, unachievable implementation deadlines and targets as the other constraints.

5.3 Conclusions

The study found that environmental scanning was used to a large extent by Bamburi cement and that external and internal environment analysis was carried out frequently and that the major staff involved in the exercise were the key management staff in conjunction with consultants who were normally hired on occasional basis by the organization. The study therefore concludes that Bamburi cement carried out environmental scanning to a large extent and frequently and usually it management staff and consultants to carry out external and internal environment analysis.

The results also revealed that Bamburi Cement regularly reviews their formulated alternative strategies, which had been formulated to ensure that they conform to the organizations vision, mission statement and the core values and that the mission, vision and core values were the key tools in guiding the Bamburi cement when formulating strategies. The study therefore concludes that Bamburi Cement formulates their strategies based on the mission, vision and core values.

The finding also revealed that the Bamburi Cement carried out implementation of various policies within the stipulated time and that only the key stakeholders among them company board of directors, the key management staff and various representatives of the employees and external parties like regulatory agencies and suppliers were involved. The study based on the finding concludes that Bamburi

cement implements its strategies within the stipulated time and involves various key stakeholders during the strategy implementation phase.

The results further established that the management of the Bamburi Cement reviewed the implementation of the various strategies frequently and corrective measures instituted within the shortest time. The study as per this finding concludes that strategy control at Bamburi Cement is undertaken within the stipulated time and the management takes corrective actions within the shortest time possible.

The results on challenges of strategic management practice found that the key challenges included inadequate resources allocation, lack of support of by management and organization leadership, lack of involvement of key stakeholder and employee resistance to change. The other factors included poor planning, unachievable implementation deadlines and targets, poor measurement of the results and lack of objectivity in assessing the results, lack of cooperation, poor reporting and communication. The study therefore concludes that the implementation of strategic management practices is affected by several challenges among them ineffective leadership, inadequate resources, employee resistance and failure to involve stakeholders.

5.4 Recommendations

The study based on the findings make the following recommendations to the management of Bamburi Cement. First, the management should use the various environmental scanning tools like SWOT analysis, PEST analysis, the Porters five models, critical success factor analysis and scenario planning to carry out effective

²⁷ analysis of the external and internal environment. This is because ⁹ environmental scanning helps a firm to identify long-term decisions and describe the terms of business to see to it that the firm based on the prevailing conditions of the market uses the correct and accurate strategies.

The study also recommends that in addition ⁴¹ to the mission, vision and core values, the management of Bamburi cement should incorporate other strategy formulation techniques like business portfolio analysis and critical question analysis techniques to link the organization purpose, environment and what can be done to achieve better results in the future.

The study further recommends that the management of Bamburi cement should involve all key stakeholders during the implementation of the various company strategies. This is because the involvement of stakeholders helps choosing the general objective, creating the plans and strategizing, providing the necessary resources, making budgets for them while analyzing and managing the process and minimizes resistance to change

The study also recommends that the management of Bamburi cement management should frequently communicate all the key decisions with regards to successful and unsuccessful strategies and ensured that any deviation from the plan is communicated and corrective actions taken with the shortest time. Regularly communication ensures that evaluation of strategy is the major way of determining when specific strategies are not functioning well.

1 5.5 Limitations of the Study

This study focused on Bamburi cement as a case study hence the findings of the study are limited to the study context and may not be generalized to other firms.

This is because different firms use different strategic management practices and their extent of application is different. In addition, the study focused on the cement industry and the findings are limited to the cement sector and not other industries.

During the research, the research was faced with various challenges when conducting the research that included the fact that the firm ordinarily do not want to give information due to client confidentiality. In addition, some of the interviewees would not find the subject to be of interest. Additionally, some respondents would not want to give the information as they considered it of competitive importance.

The respondents being normally very busy people may not have found a lot of time to be interviewed

3 5.6 Suggestions for Further Research

This study focused only on an individual firm and did not incorporate other firms in the cement industry which Bamburi belongs to. The study therefore recommends a similar study which will incorporate other cement firms in the industry to establish the various strategic management practices they employ and how they affect their performance.

The study also collected data from 10 key respondents from various departments among them the human resources departmental manager, finance department manager, ICT department manager, public relations officer, the production

department managers, sales and marketing officer, legal officer, procurement manager and other senior managers. The study therefore did not obtain the views of other employees. The study recommends a similar study but which will cover all the employees of the organisation.

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APPENDIX

Appendix I: Interview Guide

Part A: General Information

1. Level of management
2. Period worked at the organization

Part B: Strategic management Practices

3. To what extent does your organization employ environmental scanning, strategy formulation, strategy implementation and strategy evaluation?
4. How often does your organization carry out external and internal environment analysis?
5. Which key tools does your organization use when carrying out environmental analysis?
6. Which are the key areas considered during environmental analysis and the major steps used during environmental analysis?
7. How often does your organization review and develop alternative strategies?
8. Which are some of the key tools used in identifying and formulating appropriate strategies?
9. What factors does the organization consider when formulating strategies?
10. Which are the major sources for alternative strategies and the various parties involved in strategy formulation?
11. Does your organization implement its strategic policies within the stipulated time?
12. The organization involves all stakeholders during the implementation of the various strategies?
13. How do you rate your organization in terms of strategy implementation?
14. How frequently does your organization review its strategic management practices?
15. Does your organization take corrective actions within the stipulated time and after critical evaluation of strategies?
16. The organization communicates the outcomes of strategic review within time to all parties in the organization?

Part C: Challenges

17. Which major challenges does your organization face during?
 - a) Environmental scanning
 - b) Strategy formulation
 - c) Strategy implementation
 - d) Strategy evaluation

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