

**STRATEGIC MANGEMENT PRACTICES AT THE
KENYA RED CROSS SOCIETY**

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DECLARATION

This research project is my original work and has not been presented for examination purpose to any other university, college or institution of higher learning.

Signed..... Date.....

KIRUI VINCENT

D61/60706/2013

This project report has been presented for examination with my approval as the appointed University Supervisor.

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DEDICATION

My Dedication goes to my Mother who devoted herself tirelessly to ensure that I acquired quality education and good upbringing and to my family members for their close association and fellow colleagues for their moral support.

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ACRONYMS AND ABBREVIATIONS

KRCS	Kenya Red Cross Society
NGO	Non-Governmental Organization
IFRC	International Federation of the Red Cross
NCB	NGO Co-ordination Board
ICRC	International Committee of the Red Cross
CAS	Cooperation Agreement Strategy
ICHA	Institute Center for Humanitarian Affairs
SWOT	Strength, weakness, opportunities and threats
PESTEL	Political, Economic, Social, Technology, Environmental and Legal
NEC	National Executive Committee

ABSTRACT

Strategic Management is a concept that concerns with the formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives. Generally strategic management practices can improve efficiency in various organizations. Strategic management involves the analysis of both present and future environment. Success which is the survival and prosperity for KRCS depends on how the Society relates to the environment. What truly brings value to the Society is how the strategic management concept is formulated, implemented and evaluated so as to adopt to the turbulent environment KRCS internal strengths are deployed to take advantage of external opportunities and enhance performance. The objective of this case study was to establish the strategic management practices adopted by the Kenya Red Cross Society Limited. The study used both primary and secondary data for the study. Primary data was obtained through an interview guide with seven top management. Secondary data was obtained from published reports, organization's internal articles and publications. The data obtained was analyzed using content analysis to present the findings of the study. The findings acknowledged that the organization formulated vision, mission statements, core values and strategic pillars and did environmental scanning and there was evidence of strategic planning, objectives setting and monitoring of strategy implementation. The study concludes that KRCS management should guide its employees on the importance of strategic plan in the organization. This should include strategic management practices anchored by the environmental dependency theory such as formulation, implementation, monitoring and evaluation of strategic plans that are affected by the internal and external environment. Furthermore, a formal succession plans in all its departments should be initiated, provide equal priorities to both strategy formulation and strategy implementation and conduct periodic monitoring and evaluation of strategic plans. The study recommends research on the effectiveness of the strategic plans at KRCS particularly the effectiveness of 2011 to 2015 strategic plan and to evaluate and find out whether the objectives were met.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategic management practices refer to the way an organization plans and coordinates all of its resources to achieve goals. Each strategic management practice begins with a foundation, this is the vision, which is translated into a mission or an understanding of where the organization needs to be in the future and then strategic objectives that enables planning on how to get there. Without strategic management practices or other planning-focused practices, organizations employ a more reactive style of management (Bryson, 1989). Strategic management practices also provides overall direction to the enterprise and involves specifying the organization's objectives, developing policies and plans designed to achieve these objectives and then allocating resources to implement the plans and subsequently carry out evaluation of these goals, Pearce and Robinson (2011). Strategic management practices therefore incorporates the basic steps of environmental scanning, strategy formulation, strategy implementation and strategy monitoring and evaluation. Strategic management places more emphasizes on the monitoring and evaluation of external opportunities and threats in view of the organizations strength and weaknesses (Johnson & Scholes, 2002).

Strategic management practices are anchored on the Environment Dependency Theory (EDT) according to Ansoff and Sullivan (1993) which comprises of open systems theory, contingency theory and the industrial organization economics theory. Open system theory posits that organizations exist in an open system where they are closely linked to both internal and external environment which affect and are affected

by external conditions largely beyond their control (Pearce and Robinson, 2011). Institutional theory emphasizes on the effects of social environment of an organization. According to Scott (2005), The Industrial organization theory is about, how a structure of a market has an influence on the strategy and decision making of an organization. Institutions are the humanly devised constraints that structure political, economic and social interaction. They consist of both informal constraints (sanctions, taboos, customs, traditions and codes of conduct) and formal rules (constitutions, laws, property rights). Throughout history, institutions have been devised by human beings to create order and reduce uncertainty in exchange. Together with the standard constraints of economics they define the choice set and therefore determine transaction and production costs and hence the profitability and feasibility of engaging in economic activity (North, 1991). Finally, contingency theory relates to optimal performance. According to Lawrence and Lorsch (1967) the effectiveness of a decision procedure depends upon a number of aspects of the situation, the importance of the decision quality and acceptance of the amount of relevant information possessed by the leader and subordinates.

The operations nature in Kenya Red Cross Society plays an important role as partners in development by working to engage in various thematic areas such as disaster management, food security, emergencies and conflict response, water and sanitation, health and nutrition, diseases prevention and control of epidemics within Kenya. Therefore, KRCS requires involvement in strategic management process in order to remain competitive and execute its mandate. It is therefore necessary for the management to be involved in the strategic management process of the Society. They should be involved in the entire management process from formulation stage

,implementation, evaluation and control stages. Success which is the survival and prosperity for KRCS depends on how the Society relates to the environment. The position taken by the Society in adopting to the turbulent environment is key to success of the Society. What truly brings value to the Society is how the strategic management concept is formulated, implemented and evaluated. Strategic management is therefore critical in building KRCS organizational resilience and achieving both near-term profit making and long-term market relationships.

1.1.1 Concept of Strategic Management

Strategic management is a dynamic process. It is the art and science of formulating, implementing, and evaluating cross functional decisions that enabled an Organization to achieve its objectives. Strategic management has gained importance in recent years. During last century organizations focused on long-term planning. Long-term planning supposed that external and internal environment would remain stable for long period of time and thus they made plans for long duration.

Today it is clear to the managers and entrepreneur's that environment can change at any point of time and their plans should follow a strategy that included contingency planning too (Fitzroy and Hulbert, 2010). Strategic management process has four steps, namely environmental scanning, strategy formulation, strategy implementation and strategy evaluation that are briefly described below. Environmental scanning refers to a process of collecting, scrutinizing and providing information for strategic purposes. It helps in analyzing the internal and external factors influencing an organization. After executing the environmental analysis process, management should evaluate it on a continuous basis and strive to improve it. Strategy formulation

is the process of deciding best course of action for accomplishing organizational objectives and hence achieving organizational purpose. After conducting environment scanning, managers formulate corporate, business and functional strategies.

Strategy implementation implies making the strategy work as intended or putting the Organization's chosen strategy into action. Strategy implementation includes designing the organization's structure, distributing resources, developing decision making process, and managing human resources. Strategy evaluation is the final step of strategy management process. The key strategy evaluation activities are, appraising internal and external factors that are the root of present strategies, measuring performance, and taking remedial / corrective actions. Evaluation makes sure that the organizational strategy as well as its implementation meets the organizational objectives. These components are steps that are carried, in chronological order, when creating a new strategic management plan. Present businesses that have already created a strategic management plan will revert to these steps as per the situation's requirement, so as to make essential changes (Pearce and Robinson, 1997).

1.1.2 Strategic Management Practices

Strategic management practices includes understanding the strategic position of an organization, making strategic choices for the future and managing strategy in action. The term strategic management underscores the importance of managers with regards to driving or leading the strategy. From experience it is noted that strategies do not happen by accident. Strategies involve human resource in an organization that make decision, formulate and implement strategy (Johnson et al, 2010). Strategic management practices are therefore a set of decisions and actions resulting in the

formulation, implementation and evaluation of strategy designed to achieve objectives of an organization. Pearce and Robinson (2011) definition reveals the following factors. Determining the mission, develop an organization profile, appraisal of the internal and external environment, setting of objectives, developing and choice of strategy, implementing and monitoring of the strategy. The strategic decisions and actions require top management support, substantial allocation of resources, future oriented, considers both internal and external environment considerations, and usually has multi-functional and multi-business consequences. Ansoff (1984) also defined strategic management as a systematic process for managing the organization and its future direction in relation to its environment in a way that will assure continuous success as well as from surprises.

According to Lynch (2009) the field of strategic management deals with the intended and emergent initiatives by organizations on behalf of owners, involving utilization of resources, to enhance their performance. Strategic management practices involves the related concepts of strategic planning and strategic thinking. Strategic planning is analytical in nature and refers to formalized procedures to produce and analyses data used as inputs for strategic thinking, which synthesizes the data resulting in the strategy. Strategic planning may also refer to control mechanisms used to implement the strategy once it is determined. In other words, strategic planning happens around the strategic thinking or strategy making activity, (Mintzberg, Henry and Quinn, James Brian, 1996).

Strategic management practices requires managers of all level of the firm to interact in planning, implementation and evaluation .It is a three-tier process involving corporates, business and functional level planners and support personnel. At each

progressive lower level, strategic activities are shown to be more specific, narrow, short term and action oriented with lower risk but few opportunities. Business vary in the process they use to formulate and direct their strategic management activities. Small business that rely on the strategic formulation skill and limited time of an entrepreneur typical exhibits more basic planning concern than those of larger firms. Understandably, firms with multiple products, markets or technologies tend to use more complex strategic management system. However, despite the differences in details and the degree of formalization, the basic components of the models used to analyze strategic management operation are very similar (Pearce and Robinson, 2013).

1.1.3 NGO Sector in Kenya

According to the NGO Co-ordination Board (NCB) and the NGO Coordination Act (1990) defines an NGO as a private voluntary grouping of individuals or associations not operated for profit or for other commercial purposes for the benefit of the public. The number of registered NGOs operating in Kenya by 2013 has been increasing over past years according to the NCB. NGOs are established for the benefit of the public in the promotion of social welfare, development, charity research or other forms of development assistance. Some of them operate in more than one sector of the economy such as health, agriculture, gender issues among others. The current increasing trends in crisis and emergencies, drug resistant, disease strains, food security, increase in population needs to be re-abdicated and improved due to the more informed and demand for quality lifestyle by the society, (NCB, 2013).

According to the Kenya Service Provision Assessment 2010 (KSPA),The operational base of most of the NGOs in Kenya are supported by a network of prominent

development organizations and as such they have engaged in a more complex strategic management due to the influence of their international parent bodies. However, newly formed NGOs are less involved in a robust strategic management process. Due to the increase in the number of NGOs and the recent changes that have taken place in the world economy which in turn has affected the Kenyan economy hence having a debilitating effects on the sector. The world economy in this case referring to the major donors of the said sector has led to a decline in the level of donor funding. The constraints in funding has led to the managers in this sector rethinking their strategies and this creates rivalry between the NGOs due to competition for the minimal funding available. The stringent rules by the donors for the limited funding available and changes in the operating environment of the sector due to the government requirements requires strategic management process (Ochieng, 2013). Therefore, since NGOs play an important role in many sector and for this reason it is important to involve the management in the strategic management process right from the formulation ,implementation and evaluation stage in order to succeed, deliver quality services and to remain relevant and competitive in the ever increasing NGO world but shrinking funding.

1.1.4 Kenya Red Cross Society

Kenya Red Cross Society (KRCS) is a humanitarian relief organization created through an Act of Parliament, Cap 256 of the Laws of Kenya on 21st December 1965. Previously, the Society existed as a Branch of the British Red Cross between 1939 and 1965. As a voluntary organization, the Society operates through a network of eight regions and 63 branches countrywide. This way, the Society's presence is felt across the country. Currently, the Society has about 70,000 members/volunteers who

assist in implementing activities at the Headquarters, Regional and Branch levels. Membership to the Society is open to everyone without any discrimination based on race, sex, religion, class, political opinion or nationality. The Society, which gained recognition by the International Committee of the Red Cross (ICRC) in 1966, is also a member of the International Red Cross and Red Crescent Societies (RC/RC) since 1967, the largest humanitarian movement represented in 189 countries worldwide, (KRCS CAS, 2013). The operations nature in Kenya Red Cross Society requires involvement in strategic management in order to remain competitive and execute its mandate. It is therefore necessary for the management to be involved in the strategic management process of the organization.

According to the KRCS Cooperation Agreement Strategy (CAS), KRCS play an important role as partners in development by working to engage in various thematic areas such as disaster management, food security, emergencies and conflict response, water and sanitation, health and nutrition, diseases prevention and control of epidemics within Kenya. KRCS have expanded their operations to include income generating activities such as the Emergencies Medical Services ambulances and the BOMA hotels. Like all organizations, Kenya Red Cross Society exist to meet the objectives of various partners with diverse interests in the environment it operates in. The role KRCS plays is critical as they provide vital services not met by the government and other NGOs and therefore they are engaging in strategic management to remain competitive in the less funded and more increasing NGO organizations by sourcing funds in other ways than to rely on the traditional means of donor funding to remain competitive.

1.2 Research Problem

Strategic management practices focuses on complex issues arising out of non-clarity and non-routine situations within the entire organization rather than a standalone challenge in a particular function. Managers who are mainly used in managing daily routine issues found it a major challenge to apply strategic management practice as a means of managing the enterprise (Johnson et al, 2010). According to Johnson et al (2010), the manager who aspires to manage or influence strategy needs to develop capability to take an overview, to conceive the entire organization (the aerial view of the organization) and not part of the challenge that faces the organization.

For successful strategic management practices, an organization should understand the impact on strategy of external environment, internal resources and competences, and the expectations and influence of stakeholders (Johnson & Scholes, 2002). Organizations of all types and nature have found it necessary to engage in strategic management practices in order to deliver on their goals efficiently and effectively. Strategic management is a disciplined effort to produce decisions and actions that guide and shape what the organization is, what it does, and why it does it (Bryson, 1995). Strategic management also helps the organization to focus its attention on the crucial issues and challenges. It therefore, helps the organization's leaders decide what to do about those issues and challenges. As a result of a strategic management practices, an organization will have a clearer idea of what it is, what it does, and what challenges it faces. If it follows the plan, it will also enjoy enhanced performance and responsiveness to its environment (Bryson, 1995).

The operations nature in Kenya Red Cross Society requires involvement in strategic management in order to remain competitive and execute its mandate. It is therefore necessary for the management to be involved in the strategic management process of the organization. Various studies have been done in the field of strategic management with the majority in the corporate organizations and public sector while a few in the NGO sector. In her research, Osano (2013) focused on stakeholder involvement in strategic management process in health based, non-governmental organization in Nairobi County, Kenya. Mutindi (2013) focused on strategic change management practices of international non-governmental organizations in Kenya. Kathama (2012) conducted a research study on performance with strategic planning practices incorporated of the state corporations. Ochieng (2013) also focused on strategic change management practices and performance of non-governmental organizations in Nairobi, Kenya.

While strategic management is widely practiced in the country especially commercial and manufacturing companies due to their competitive environment in the market, there are few documented proof of strategic management processes of NGO like organizations in the country. Due to the contextual and managerial differences among the studies carried out above in the various organizations, the studies enlighten that strategic management is sensitive to the context in which it is practiced. Furthermore, issues in strategic management practices gained from these previous studies may not be assumed to explain strategic management practices at the Kenya Red Cross Society. Therefore, what are the strategic management practices at Kenya Red Cross Society?

1.3 Research Objective

The objective of the study was to determine the nature of strategic management practices being adopted in Kenya Red Cross Society.

1.4 Value of the Study

The finding of the study contributes to the theory of Environment Dependency by Ansoff and Sullivan (1993) regarding the strategic management process. This serves as a stimulus for scholars and business researchers to carry out further research if there will be gaps which will be identified for further research.

The research findings generates greater awareness among policy makers at KRCS management on the importance of having a proper and practical strategic management framework as a vehicle to organization effectiveness. This is of importance in the sense that it is a powerful tool for the managers who believes in change by adapting to strategic management practices from the traditional approach.

This study also brings out critical issues practiced by the Society which may as well serve as a benchmark for the industry by giving insight and evidence-based knowledge regarding the KRCS management involvement in the strategic management process in the emergencies and crisis response environment and other complex thematic areas which aren't carried out by any other organization. To the donors and beneficiaries, the finding from the study is useful in assessing the strategies practices carried out by the KRCS. This is important in order to see what the future or the direction the society is headed to and hence gain the donor approval, support and confidence in future planning and partnership.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter lays focus on review of theoretical, conceptual and empirical literature along the study's conceptualization. First, the chapter presents literature on theoretical underpinnings of the study anchored mainly through the Environment Dependency Theories such as opens systems, institutional theory and contingency theory. This was followed by conceptualization of strategic management and empirical literature on the strategic management practices on how it is formulated, implemented, monitored and evaluation and control.

2.2 Theoretical Foundation

The study will be anchored on the Environment Dependency Theory (EDT) according to Ansoff and Sullivan (1993) which comprises of open systems theory, contingency theory and the industrial organization economics theory. Open system theory posits that organizations are affected by a number of factors that occur in the external environment and that they can have an effect on factors that exist in the internal environment (Burnes, 1996).

Opens system theory looks at relationship between organizations and the environment involved. This focus reflects on organization ability to changes the environmental condition with or without the need for the information processing (Katz and Kahn, 1978). This theory assumes that entities able of processing information about own specific environment show more adaptation skills to shift in the contextual condition. Open systems approach views the organizations interaction with the external

environment as vital for the organization survival and success in the open systems, any change in any elements of the system causes changes in other elements (Wang, 2004).

Contingency theory is a class of behavioral theory that claims that there is no best way to organize a corporation, to lead an organization, or to make decisions. Instead, the optimal course of action is contingent (dependent) upon the internal and external situation. A contingent leader effectively applies their own style of leadership to the right situation (Fielder 1964).

Institution theory which relates to contingency theory is a theoretical lens that has been widely used to study the adaptation and diffusion of organizational focus and practices (Bjorkman, Fey and Park 2007). Within this theoretical underpinning, (North 1991) defined institution as the humanely devised constraints that structure political, economic and social interaction. These institutions consist of both informal constraints (sanctions, taboos, customs, tradition and code of conduct) and formal rules (constitutions, law, property rights). Through history, North argues that institutions have been devised by human beings to create order and reduce uncertainty in exchange. Together with the standard constraints of economics they define the choice set and therefore determine transaction and production costs and hence the profitability and feasibility of engaging in the economic activities (North, 1991).

The industrial organization theory is about, how a structure of a market has an influence on the strategy and decision making of an organization. The structure of a

market and how a market is functioning is the concept behind the industrial organization theory (Tirole, 1988) rather than the conversion process, products and costs of an individual organization (Ramsey, 2001). Hence, the industrial organization theory is about, how a structure of a market has an influence on the strategy of an organization. It puts a focus on the market an organization operates in rather than the organization itself. It is reflected in the Structure-Conduct-Performance model(SCP), which claims that there is a casual link between the structure of a market in which an organization operates, the organization's conduct and in turn the organization's performance in terms of profitability (Ramsey, 2001). Therefore, the industrial organization theory focuses on the whole industry and market conditions of an organization and the central analytical aspect can be used to identify strategic choices, which firms have in their respectively industry (Porter, 1981, Teece et al. 1997) which includes strategic management.

2.3 Strategic Management

Strategic management is a dynamic process. It is the art and science of formulating, implementing, evaluating cross functional decisions that enabled a Society to achieve its objectives. Strategic management has gained importance in recent years. During last century organizations focused on long-term planning. Long-term planning supposed that external and internal environment would remain stable for long period of time and thus they made plans for long duration. Today it is clear to the managers and entrepreneurs that environment can change at any point of time and their plans should follow a strategy that included contingency planning too (Fitzroy and Hulbert 2010).

Strategic management has been mentioned as one of the effective management tool in strengthening organization performance through effective decision making and systematic strategy formulation and implementation. Every organization has many areas to improve or give better result. It is known that an organization exist for customers but the way to achieve this may not necessarily be same for all. Every organization has its unique strategic focus area (Haines, 1990). As observed by Aosa (1992) strategic management is sensitive to the context in which it is practiced. This means that organizations that are in similar business do have distinct internal environment to the other organizations and as such do respond distinctively to the external environment. In so doing, the organization's strategic management practices will be significantly unique to the other organizations.

According to Haines (1990) strategic management focuses on planning, people, leadership and change in the way of carrying out day to day activities. This enables the people in the organization to develop strategic management systems with three main goals in mind. The first goal is to develop a strategic plan and document it. Then ensure successful implementation, and lastly sustain high performance, year after year. Haines (1990) reckons that today's organizations must keep pace with changes in their environment and reduce current expenses, waste and bureaucratic operations. They must completely reinvent their future vision, and then begin thinking backwards to this future with the strategies needed to remain successful. They must commit passionately to the disciplined management of the changes that occur along the way towards becoming a customer focused, high performance and learning organization. Strategic management practice includes understanding the strategic position of an organization, making strategic choices for the future and

managing strategy in action. The term strategic management underscores the importance of managers with regards to driving or leading the strategy. From experience it is noted that strategies do not happen by accident. Strategies involve human resource in an organization that make decision, formulate and implement strategy (Johnson et al, 2010).

Ansoff (1965) noted strategic management was an ongoing process of formulating strategies for the organization that bring profit to the organization and create harmony between organization and its environment. It lists the strengths that the organization already possesses for the achievement of its objectives. It points out the weaknesses that hinder in goals accomplishment. It highlights the opportunities and markets that can be exploited in favor of the organization and threats that are present in external and internal environment. Strategic management is the set of decisions and actions that result in the formulation and implementation of plans designed to achieve Society's objective. Strategic management deals with matters that are complex in nature which makes it necessary to make decisions and judgments based on the conceptualization of difficult issues. More so, strategic level refers to top-level management, thus, this management process is very comprehensive. It covers all the areas of the business and not specific to a particular function (Pearce and Robinson, 1998).

According to Osborne and Gaebler (1992), strategic management appeared to be part of a package management innovations design to "reinvent" or "modernize" the public sector. Strategic management was found to be an effective management tool in transforming a bureaucratic public sector to a more responsive and innovative

administration. A broad and top-level strategic management can be compared with the specific and functional management sectors. Strategic management is relatively more important than any special functional area because all the functional areas come under the strategic management focus. Strategic management gives the ideology and basic guideline to all other functional areas. At present times, each functional area is directed towards the strategic focus (Collis and Montgomery, 1998).

Strategic management focuses on complex issues arising out of non-clarity and non-routine situations within the entire organization rather than a standalone challenge in a particular function. Managers who are mainly used in managing daily routine issues found it a major challenge to apply strategic management practice as a means of managing the enterprise (Johnson et al, 2010). According to Johnson et al (2010), the manager who aspires to manage or influence strategy needs to develop capability to take an overview, to conceive the entire organization (the aerial view of the organization) and not part of the challenge that faces the organization. Strategic management focuses into long-term goals, which are relatively broad, and are also important for the success of an organization long-term direction and success within the context of changing external environment.

2.4 Strategic Management Practices in Organizations

Strategic management practices refer to the way an organization plans and coordinates all of its resources to achieve goals. Each strategic management practice begins with a foundation, this is the vision, which is translated into a mission or an understanding of where the organization needs to be in the future and then strategic objectives that enables planning on how to get there. Without strategic management

practices or other planning-focused practices, organizations employ a more reactive style of management (Bryson, 1989). For successful strategic management practices, an organization should understand the impact on strategy of external environment, internal resources and competences, and the expectations and influence of stakeholders (Johnson & Scholes, 2002). The organization exists in the context of a complex commercial, political, economic, social, technological, environmental and legal world. The environment is not static and keeps changing and more complex for some organizations than for others (Thompson, 1997).

According to Pearce and Robinson (2004), strategic management plan will not be successful without first planning how employees will be reorganized according to a new strategy. The resources and competences of the organization make up its strategic capability, which enables success in strategic management practices of chosen strategies. Just as there are outside influences on the organization and its choice on strategic management practices, so there are internal influences (Reed & Buckley, 1998). These internal factors constitute strengths and weaknesses, while outside influences depict opportunities and threats. Competences such as skills and know-how enhance successful strategic management practice.

A vision describes the direction an organization intends to take in developing and strengthening its business. It lays out the organization's strategic course in preparing for the future. A clearly articulated strategic vision communicates management's aspirations to stakeholders and helps drive the energies of organizations human resource in a common direction (Thompson et al, 2007). According to Johnson et al (2010), the vision of an organization is what the organization is trying to achieve over

the medium to long term as formally declared in its mission statement. In practice, the terms vision and mission are used interchangeably. A vision is the strategic intent of the Organization's desired future state of what it wants to achieve in the long term. It is an aspiration around which a strategy formulator might seek to focus the attention and efforts of members of the organization.

The mission of an organization is the unique purpose that distinguishes it apart from other companies of its type and identifies the scope of its operations. It describes the Organization's products, market and technological areas of emphasis in a way that reflects the values and priorities of the strategic decision makers (Pearce and Robinson, 1991). According to Haines (1990), an organization's mission is the purpose for organizations existence. It informs what the Organization is offering to the society. It may also include organizations value and philosophy about how the organization does its business and values its human capital.

Strategy formulation is the development of the long range plans for the effective management of environmental opportunities and threats in light of corporate strengths and weakness. Thompson and Strickland (1989) state that strategy formulation refers to the entire management function of establishing organization direction, setting objectives and devising a managerial set of action(s) for the organization to pursue. It includes defining corporate mission, specifying achievable objectives, developing strategies and setting policy. A key feature of strategic management formulation is identifying the organization strength, weakness, opportunity and threats also known as SWOT analysis. According to Johnson et al (2010), SWOT is a summary of key issues from the business environment and strategic capability of an organization that

are most likely to impact on strategic development. The central purpose of the SWOT analysis is to identify strategies that align, fit or match an organization's resources and capabilities to the demands of the environment which it operates.

When formulating strategies it also important for an organization to define its values. Thompson and Strickland (2007) define values as beliefs, traits and behavioral norms that Organization's human resources are expected to display in conducting the Organization's business. Values relate to areas such as relationship between the organization and its employees and customers, integrity, ethics, innovativeness, the capabilities to imitate and ensure clear differentiation, emphasis on quality or service and corporate social responsibility. Values determine employees' work ethic and how they will translate into performance effectiveness within the organization. Strategic formulation process also involves understanding the strategic position of the organization in terms of its external environment, internal resources and competences and the expectations and influences of stakeholders this is referred to as strategic analysis. Johnson et al (2007) states that when formulating strategies it is also important to know the leverages of the resources and competences of an organization to provide competitive advantage and yield new opportunities so as to understand which projects it can pursue successfully and which it cannot based on its strength and weaknesses.

Strategy implementation is referred to as the action stage of strategic management. Fitzroy and Hulbert (2010) define strategic implementation as a process by which strategies and policies are put into action through development programs, budgets and procedures. Strategic implementation is also concerned with the translation of

strategy into organizational action through organization structure and design, resource and planning (Johnson et al, 2010). Strategy implementation requires a firm to establish annual objectives, devise policies, motivate employees and allocate resources so that formulated strategies can be executed.

According to Yabs (2010), the strategy implementation stage is often considered to be most difficult stage of strategic management. It requires personal discipline, commitment and sacrifice. When implementing strategies there is need to cultivated development of a strategy supportive culture, creation of an effective organization structure, redirecting of market efforts and motivating individual into action. Strategy evaluation and control is the process in which corporate activities and performance can be compared with desired performance (Fitzroy and Hulbert 2010). Managers need to know when particular strategies being put in place are not effective and thus managers at all levels use the clear, prompt, unbiased information for the people below the corporation's hierarchy to take corrective action and resolve problems. Strategy evaluation and control is vital for an organization's well-being as it can alert management to actual and potential problems accurately. It can also be useful in highlighting weaknesses in previously implemented strategic plans and this stimulates the control of performance. Yabs (2010) defines strategic management practices as management practices used in formulating an organization's long term as well as short term plans to attain stated objectives. He adds that it refers to the entire process of defining the vision and mission, formulating, implementing and evaluating the preferred strategies.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter focused on research design and methodology. It highlighted the research design which was carried out through a case study of KRCS. The data collection method used were both primary and secondary with primary being the use of interview guides through in-depth interviews with the Senior Managers who included Group Heads of Departments, Programme Advisors and Director of External Relations, while the secondary data relied on published reports such as the KRCS strategic plan and finally data analysis employed was content analysis.

3.2 Research Design

This study was be carried out through a case study. A case study was the suitable design for answering the research questions because it was particularly useful for studying educational innovations, evaluating strategies and in forming policies. (Flyvberg. 2006).

According to Mugenda and Mugenda (2003), a case study allowed an investigation to retain the holistic and meaningful characteristics of actual events. He also noted that a case study involves a comprehensive and complete observation of social units. The case study aims at getting detailed information regarding strategic management practice. The method will study in depth rather than breadth and placed more emphasis on the full analysis of a limited number of events or conditions and other interrelations.

3.3 Data Collection

The researcher collected both primary and secondary data used for the study. Primary data was collected via personal interview with an interview guide while secondary data was collected from published reports, organization's publications, journals, periodicals and information obtained from the organization's website.

The interview guide had list of questions that allowed for further probing. It was used in order to gain a better understanding and enable better and more insightful interpretation of the results from the study. The researcher arranged for personal interview with the respondent through booking appointment(s) to visit the organization's premises. The respondents in this study drew from top level management, heads of strategic business units and thematic advisors.

3.4 Data Analysis

The researcher employed content analysis. This enabled systematic qualitative description of the composition of the objects or materials of the study (Mugenda and Mugenda, 2003). This method enabled the researcher to analyze and logically arrange the anticipated large data and compile the rest of the study. Content analysis was used to analyze the interviewees' views on how strategic management is practiced in Kenya Red Cross Society.

The researcher visited Kenya Red Cross Society staff that include senior management and thematic advisors who are involved in the strategic management practice. The researcher presented the interview guide to the respondent and picked up discussion with the respondent on how strategic management is practiced.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

The study's objective was to establish the strategic management practices adopted by Kenya Red Cross Society. This chapter entails strategic management formulation by KRCS, corporate strategy as practiced by KRCS, strategy implementation, monitoring and performance measures, evaluation, control and change management by KRCS and finally the discussion of the study. Based on in-depth interviews with the Senior Managers who included Group Heads of Departments, Programme Advisors and Director of External Relations and secondary sources such as the KRCS Strategic Plans and Annual Reports, the data was analyzed in relation to the study's objective and the findings are presented in the various classifications below.

4.2 Strategic Management Formulation at KRCS

The study explored the strategic formulation practices by KRCS. It entailed the vision, mission, core values, the strategic pillars, KRCS Strategic formulation process includes, planning process, setting of goals and objectives, environmental scanning, Developing KRCS corporate strategy, Balance Scorecard It was established that a variety of plans were developed at KRCS. KRCS had the overall strategic plan (2011-2015) as well as annual work plans derived by dissecting the strategic plan into yearly achievable targets. It was noted that the strategy is the blueprint that will propel the Society to where it wants to be in the next five years.

The organization divided its organizational planning into three categories. These are the short term plan, medium term plan and the long term plan. The short term plan focused on rapid results that are anticipated to be achieved within a year, for example

financial year objectives. At the medium term planning period, it focused between one to three years functions in the organization and highlights areas of concern and re-align them with Society's overall strategies. The long term plan focuses on up to five years

KRCS 2006-2010 strategic plan provided direction to all the Society's program and resulted in implementation of major activities and initiatives as contained in the 2009 annual reports. Close to the end of the period, through the Secretary General, the society embarked on an ambitious journey of developing a balanced scorecard that would further direct the society in enhancing existing value, creation and capturing future values and as well consolidating and exploiting synergies that exist between KRCS and its stakeholders. This was a revolutionary move for KRCS from its current way to a new and better way of doing things. To guide the process, the Secretary General appointed three champions. These champions worked closely with a consultant ensuring employee's involvement across the organization.

KRCS strategic management system was developed using a series of meetings and workshops made up of senior leadership and other employees drawn from different areas of the organization. The strategic development team led the process by articulating the organization's policy guidance. Defining strategic elements, committing resources, establishing schedules, approving all scorecard work and developing the corporate balanced scorecard, performance measures and strategic initiatives. The team developed strategic objectives and strategy maps for each strategic theme, as well as identified process improvement and others core card ideas

such as performance measures and initiatives. The program champions coordinated all the aspects of the process.

4.2.1 Vision, Mission and Core Values

The study established that KRCS has vision and mission statement that are documented. The Organization's vision is "To be the most effective, most trusted and self-sustaining humanitarian organization in Kenya". The mission statement states "To work with vigor and compassion through our networks and with communities to prevent and alleviate human suffering and save lives of the most vulnerable". The Core Values are "Commitment, Accountability, Service to Humanity and Trust" while the motto is "Always There".

It was established that the vision and mission statements were developed after thorough search and review. It started with the strategy planning function receiving views from the members at the senior management level, the middle management and members of staff within the country about where they would like to see the organization within the next five years. Interviews were also carried out with key beneficiaries and stakeholders who include those affected by disasters, the most vulnerable in our society, Government, UN agencies, Donor partners and Institutions like private and public organization. The views collected were consolidated and presented to the management which then came up with the vision, mission, core values and strategic pillars in line with the global organization vision as per the IFRC.

The vision, mission and strategic goals were then endorsed by the NEC. At this point the management took over the role to develop strategies and the roadmap on how to

achieve them. The vision, mission statement and core values were disseminated to the organization in open discussion and in written format respectively. The Secretary General held open discussion with management staff and stressed the need for the management to observe strategic management at their departmental level. The heads of departments and thematic advisors were urged to visit staff and hold meetings to sensitize and harmonize on the matter.

4.2.2 Setting of Goals and Objectives

The study established that objectives set by the Society were evaluated and captured in the strategic plan. Strategic plans contained strategic initiatives which were divided into the thematic areas. Then each thematic area prepared an annual budget specified departmental requirements in terms of financial exposure. After this was finalized, modalities were put in place to roll out the whole process.

The process of setting organizational goals and objectives included all stakeholders. Secretary General, Deputy Secretary Generals, Senior Managers, Middle level Managers at KRCS participated in strategic planning process. At the goals and objectives setting stage, the prevailing environmental opportunities and threats were taken into consideration. The goals were set in line with the organization's resources taking into account the strengths and weaknesses of the human resource and organizational capabilities. This ensured successful formulation of strategic plans. The organization defined its values to ensure seamless achievement of its goals and objectives. As observed earlier in the study, values relate to areas such as relationship between the organization and its employees and customers, integrity, ethics, innovativeness, organizational capabilities, emphasis on quality or service and

corporate social responsibility. Values determine employees' work ethic and how they will translate into performance effectiveness within the organization.

4.2.3 Environmental Scanning

There were several modalities put in place in order to assess the internal and external environment to enable decision makers to understand current and potential changes taking place in their institutions' external environments. It was noted that an external consultant had been invited to assist with strategic planning. The consultant used the SWOT and PESTEL method while analyzing the external environment.

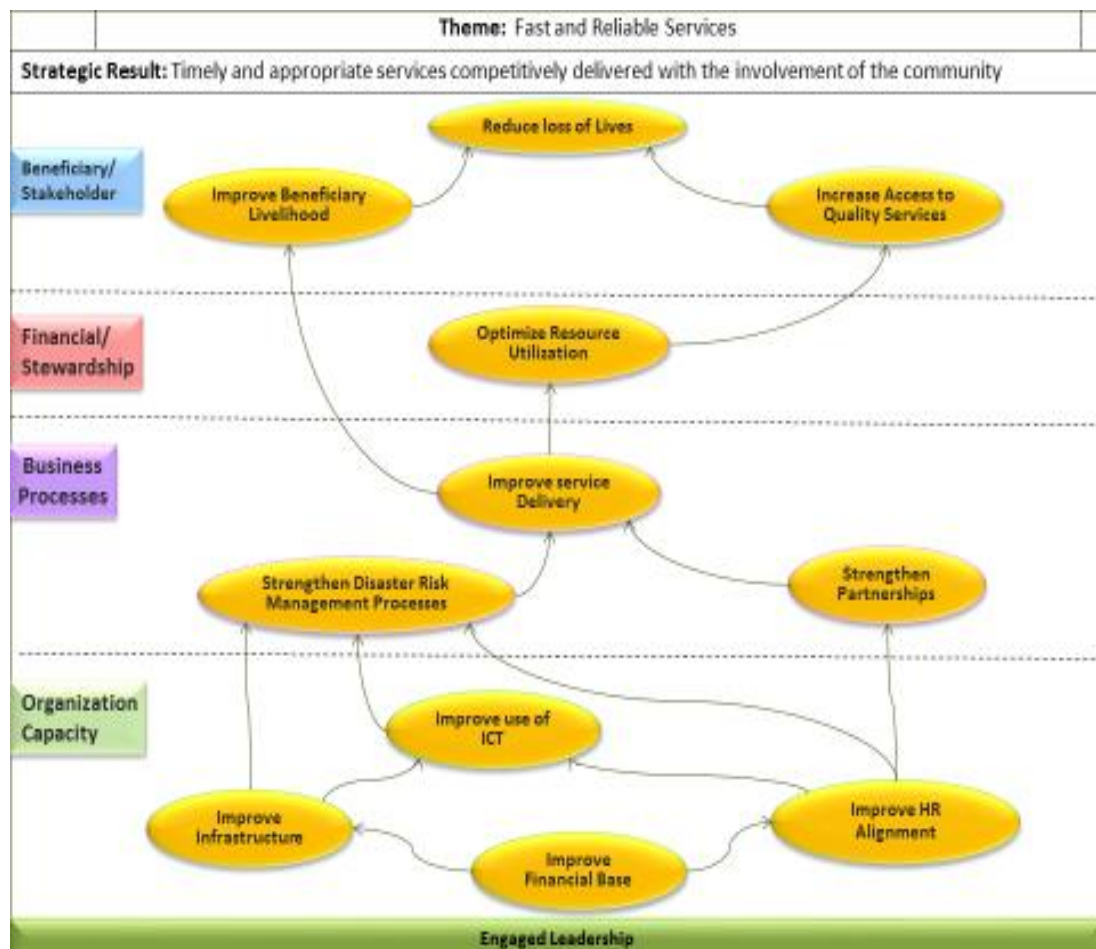
It was established that the views of the stakeholders were considered in the assessment of the environmental situation. The operations department carried out regular customer satisfaction surveys. In these periodical surveys, respondents were issued with interview guide and also interviewed to rate and score their experience with the Organization's services. This process enabled the management to gather information on how stakeholders perceive the organization's services. The Secretary General and the rest of the management participated in environmental scanning by evaluating and monitoring departmental issues raised by employees and other stakeholders.

4.3 KRCS Strategy Plan

The study found out that the KRCS current strategy for 5 years will end in 2015 and focused on three areas to create and deliver value to beneficiaries and stakeholders. These Strategies are explained below.

4.3.1 Operational Excellence

The goal of this strategy is to have timely and appropriate services competitively delivered with the involvement of the community to the beneficiaries. This focuses on continuous and innovative improvements on service delivery. It entails the standardization of process across the network to ensure fast-first, first-in and last-out need based service delivery through the implementation of standard operating procedures across the network, automation of operations and implementation of agile logistics systems. It also entails maintaining a cost sensitive waste reduction and green culture, benchmarking for the best practices, leveraging on legal framework to be the government’s preferred partner and optimal use of volunteers based on skill and competences. This can be demonstrated in Figure 4.1.



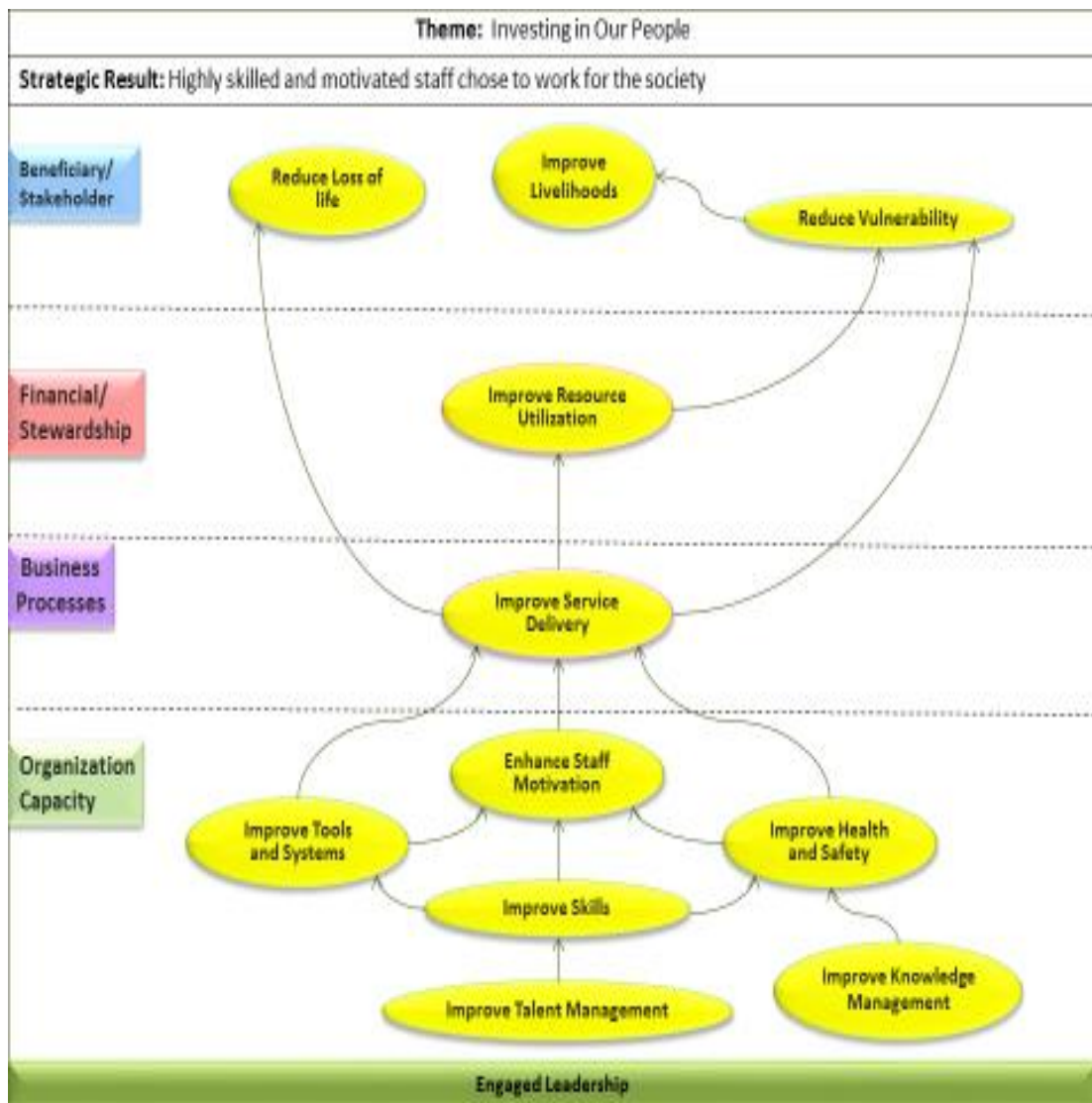
Source: Kenya Red Cross Strategic plan 2011-2015

Figure 4.1. Fast and Reliable Services to Enhance Operational Excellence

4.3.2 Investing in Our People

KRCS goal is to have highly skilled and motivated staff and volunteers who choose to stay and work for the society. People are KRCS most important asset and underpin the cues of all their strategies. This leg of strategic focuses on equipping their human resources with the necessary skills and knowledge to support the improvement of their operations. It involves training and development of staffing including academic, peer to peer, technical and practical training, mentoring and coaching, job rotation and talent development.

It also involves staff and volunteer recruitment, retention, policy development, motivation, recognition schemes, competitive remuneration and induction. To succeed, all these must be supported by favorable working environment that included work-family balance , team work, health and safety, internal communication, a good organization culture and appropriate working tool, This can be demonstrated in Figure 4.2.



Source: Kenya Red Cross Strategic plan 2011-2015

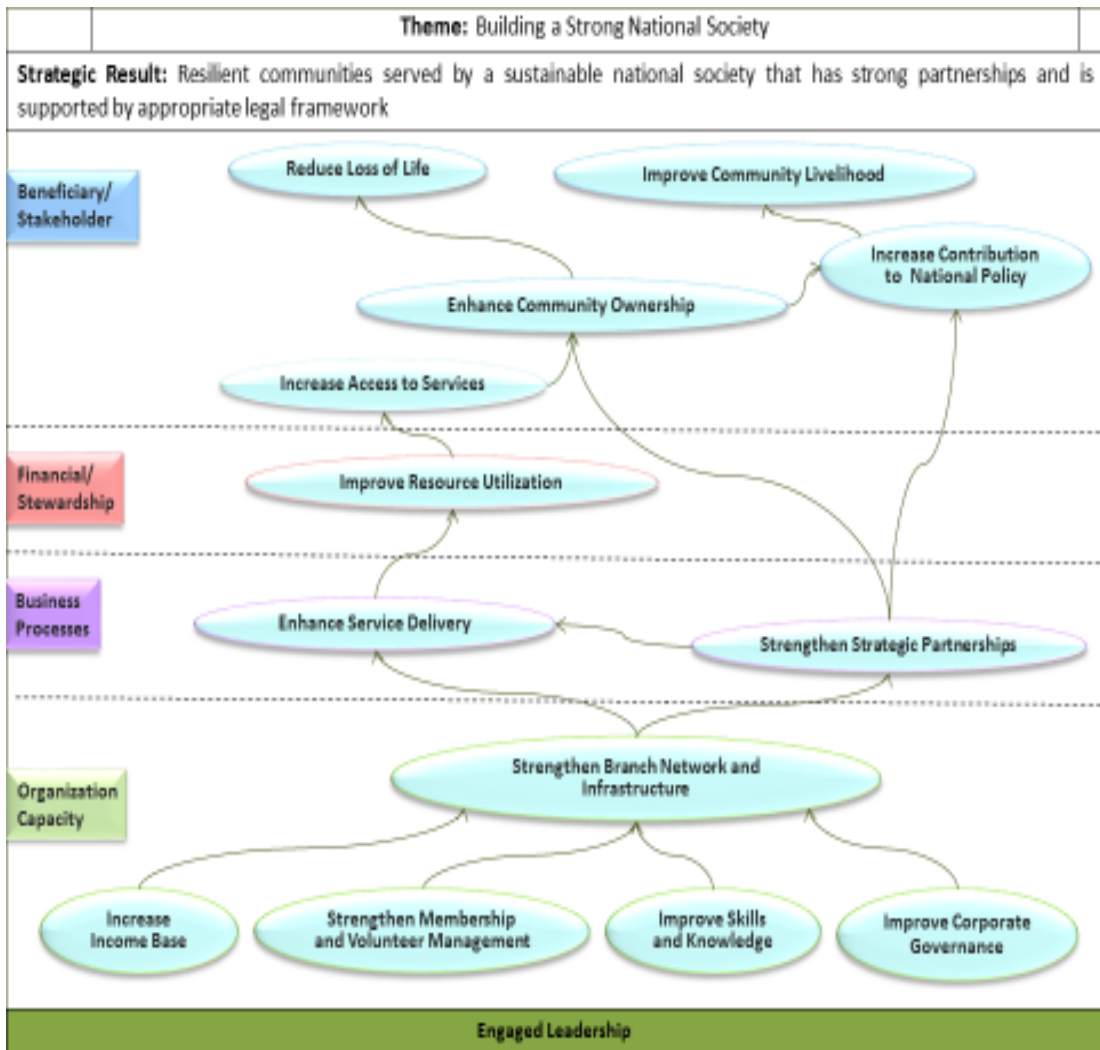
Figure 4.2. Investing in Our People Strategic Focus

4.3.3 Building a Strong National Society

KRCS goal is to have a sustainable national society which has strong partnership and is supported by appropriate legal framework, serving resilient communities. This theme focuses on strengthening the society's branch network and financials sustainability. It involves developing an internal economic engine to ensure core cost are covered from over funds, strengthening the management structure, enhancing the society's image and strengthening the management structure, enhancing the society's

image and strengthening out branches, regions and headquarters. It included setting standards for the branch to be considered as an operational branch.

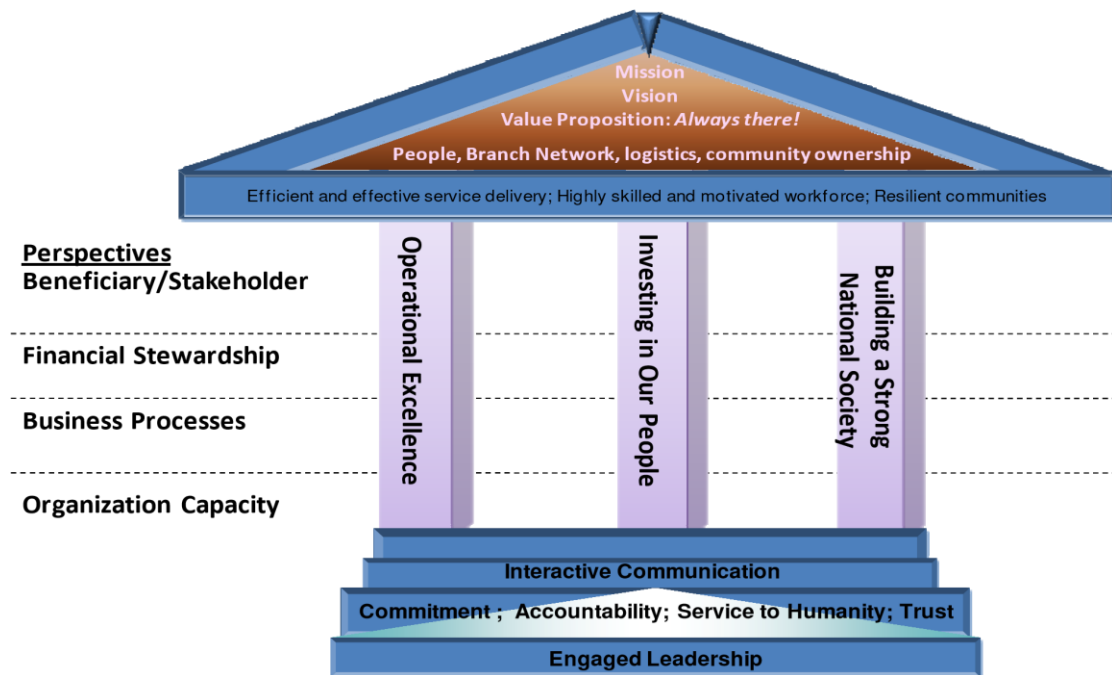
This strategy further entails focusing on good governance, including community representation in governance, strengthening of the organization's policy framework, leadership development and diversification of partnership, building KRCS networks including infrastructure development (buildings and ICT equipment). To building trade brand includes improved PR, cultivating a culture of learning and innovation, fostering accountability and transparency, membership management including growth and development and reviewing of legal frame work. Decentralizing the resource envelope-operational base and financials empowering the grassroots and extending peer support, non-financial support to surrounding neighbor national society. This can be demonstrated in Figure 4.3.



Source: Kenya Red Cross Strategic plan 2011-2015

Figure 4.3. Building a Strong National Society Strategic Focus

All the above three focuses can be analyzed into a Strategic Management System House as demonstrated in the Figure 4.4.



Source: Kenya Red Cross Strategic plan 2011-2015

Figure 4.4. Kenya Red Cross Strategic Management ‘House’

4.3.4 Balanced Scorecard

The study noted that KRCS uses Balanced Scorecard. The organizational plans focuses on the balanced scorecard approach incorporating objectives such as Beneficiary/stakeholders, Financial Stewardship and Business Process and Organization capacity. These objectives have performance measures, targets and Initiatives to achieve the Society’s goals as highlighted in the Figure 4.5.

KENYA RED CROSS SOCIETY
 Balanced Scorecard Strategic Planning & Management System

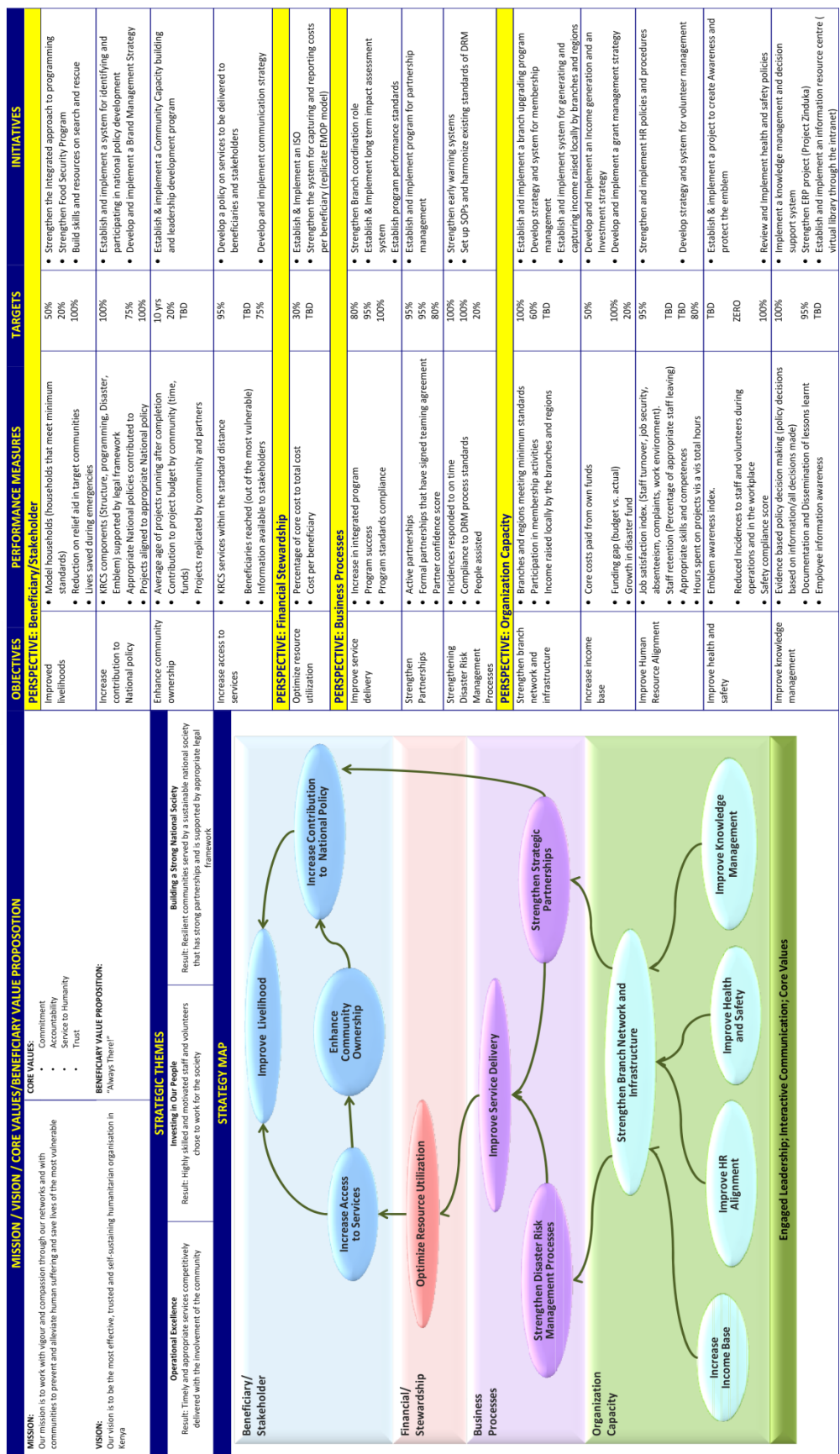


Figure 4.5. Kenya Red Cross Balanced Scorecard.

4.4. Strategy Implementation at KRCS

The study noted that there were various way in which KRCS ensured that the Strategy implementation is achieved. This is through having the organization structure aligned to the strategic thinking of the organization, Establishing key initiatives, and Resource allocation, Information Technology, Human Resources and Society's Culture. KRCS strategic plan provided direction to all the Society's program and resulted in implementation of major activities and initiatives as contained in annual reports.

4.4.1 KRCS Organization Structure

The study established that the KRCS structure review was already complete and approved by the National Executive Committee (NEC).The organization structure is important to understand approval and implementation of KRCS Strategic Initiatives. KRCS had a practical organization structure to enable division of tasks into specific functions thus enabling the human resources in KRCS to concentrate on departmental assignment. KRCS way of working is authored by the National Council which is the policy making organ headed by the Governor. The National Council consists of elected members and two representatives from each societies of the 63 branches. The National Council elects the National Executive Committee (NEC) whose mandate is to oversee the management of the Society. The NEC appoints the Secretary General who manages and hires competent staff to assist the regions and branches to develop and implement their humanitarian programmes.

The institutional arrangement is manifested in two distinct structure, Management and Governance. The Governance is the policy-making organ, whilst the

Management implements the policies and decision of the Governance both at the Headquarters, Region and Branches. KRCS core activities are organized into business and support services. The business services are broadly classified into five major departments namely, Disaster Management, Health and Social Services, Water and Sanitation, Nutrition and Regional Capacity Development. The support services includes, Supply Chain, Finance and Administration, Public relations, Human Resource, Monitoring and Evaluation, Internal Audits and Security all reporting to the office of the Secretary General.

It was established that targets as detailed in the strategic plan were to be achieved within the specific period of 5 years. The Secretary General is the custodian of the strategic plan after it has been approved by the National Executive Committee. He ensures that the implementation plan has been cascaded down the organization. The cascading process aims to ensure that all employees are involved and committed towards implementation of the objects contained there in the document. The study established that through the balanced score card technique the progress of the strategy and its impact is assessed regularly by KRCS management

4.4.2 KRCS Strategic Initiatives to Enhance Implementation

The study found out that KRCS have various strategy initiatives which are programmes or projects that turn strategy into operational terms and actionable items, provide and analytical understanding for decisions and provided a structured way to prioritize projects according to strategy impact. Strategic initiatives answer the question, “what strategic project must we implement to meet our Strategic

Objectives?'. These strategies forms a basis for implementations and hence will be used to evaluate the strategic achievement of KRCS objectives.

4.4.3 Resource Allocation

The study established that resources such as finances to implement the strategies are allocated through the annual budgets where senior management is responsible for the preparation of departmental budgets. It was established that the strategic plan was broken down into annual work plans which were to be focused on by departments involved. Further to work plans, budgets are prepared and thereafter, sourcing for tools that are required to facilitate the process is prepared.

It was established that financial constraints were one of the limitations to implementation of the organization's strategies. Financial constraint challenges are normally mitigated through funding from the Donors and other strategic partners. The sourcing process was noted to be fairly slow therefore impeding the achievement of the departmental objectives. During the study it was established that human resource allocation was not sufficient to drive the process thus a major setback to the process.

4.4.4 Information Technology Facilitation

The study established that the automation of various departments and processes has made a positive impact towards the performance of its operations. The Organization had incorporated a Navision system that fully automated the operations of the organization to a single information focal point, thus eliminating organizational unethical behavior such as manipulation of donor reports among others.

Information technology enabled staff at KRCS to gain knowledge on various activities at the Organization. Information technology had also enabled the organization to improve the speed of service delivery and has led to provision of high quality service. Technology is also used to enhance efficiency in human resource management and financial management.

4.4.5 Human Resources

The study established that the management is fully aware that its people are the most important asset in the organization. The organization structure has incorporated reward and recognition and incentives to attract and retain employees more so top management who have a motivational role to play. It was established that the organization incentives would contain the challenge of high staff turnover.

The human resources function conducted internal and external recruitment for positions that are required for the implementation of the Organization's strategies. External recruitment is done via placement of job advertisement in the local newspapers and on the KRCS's website. It was established that KRCS was an equal opportunity employer that had targeted to have well educated and experienced personnel.

4.4.6 Culture

It was established that the management in KRCS understood that the values and beliefs shared throughout the organization did guide how the work in the organization was carried out. The organization carries out team building sessions with its staff, meetings between staff and management are usually held where management outlines

its expectations of staff in terms of targets to be achieved within certain deadlines, the staff is also informed of ongoing projects and also trained on matters relating to reporting and handling of tasks assigned to them.

KRCS, organization culture is used as mechanism for enhancing competitive edge derived from innovation and service delivery, enhancing consistent and efficient employee performance, improved team cohesiveness, improved employee motivation and aligning the activities within the Society towards achievement of organizational goals.

4.5 Monitoring and Performance Measures at KRCS

This study found that KRCS Strategic plan has performance measures used to provided and analytical basis or decision making, monitoring and to focus attention on what matters most. Performance measures answers the Questions,” how are we focused at a job of meeting our strategic Objectives?’ Performance Measures for each of the Strategic objectives were developed by the strategic Leadership Team as detailed in the Figure 4.6.

OBJECTIVE	PERFORMANCE MEASURES
Perspective: Beneficiary/Stakeholder	
Improve Livelihood	Model Households Reduction on relief aid in target communities Lives saved during emergencies
Increase Contribution to national policy	KRCS Components Appropriate National Policies Contributed to Projects replicated by community and partners
Enhance Community Ownership	Average age of projects running after completion Contribution to project budget the community Project replicated by community and partners KRCS services within the standard distance
Increase Access to Service	Beneficiaries reached Information available to stakeholders
Perspective: Financial Stewardship	
Optimize Resource Utilization	Percentage of core cost to total cost Cost per beneficiary
Perspective: Business Process	
Improve Services Delivery	Increase in integrated program Programed Success Program standard compliance
Strengthen Partnerships	Actives partnership Formal partnership that have signed teaming agreement
Strengthen Disaster Risk Management Process	Incidence respond to on time Compliance to DRM process standards People assisted
Perspective: Organization Capacity	
Strengthen Branch and network and Infrastructure	Branches and region meeting minimum standards Participation in membership activities Income raised locally by the branches and region
Internalize the income	Core Cost paid from own funds Funding gap Growth in distance fund
Improve Health and Safety	Emblem awareness index
Improve Knowledge management	Safety compliance score Evidence based policy decision making Documentation and dissemination of lesson learnt Employee information awareness

Source: Kenya Red Cross Strategic plan 2011-2015

Figure 4.6. Kenya Red Cross Performance Measures Metrics.

4.6 Evaluation, Control and Change Management.

At KRCS the results of evaluation and control measures leads to change management which being initiated and are needed normally follows five stages which include recognition of factors triggering change, clarification of the expected outcome of change management process, planning how to achieve the change and coming up with plans to ensure the change is lasting. During change management process, the structure, objectives, performance measures are based on the mission and the strategic

direction which, in turn, guide the decisions, activities and the outcomes of the organization's activities.

The outcomes of change management strategies at KRCS are then measured against the overall mission and strategic objectives as well as performance expectations. In order to yield maximum gain, the organization has developed modalities in which the leadership fully support change management strategies. The management at KRCS conducts training to all employees aimed at facilitating change management process. Plans are underway to implement change management strategies on a wider scale when it commences the implementation of a new organizational structure in the financial year 2013.

4.7 Discussion

The objective of the study was to establish the strategic management practices employed by the management at KRCS. The objective of the study was met since the research was able to establish that the management at KRCS has indeed adopted a number of strategic management practices as highlighted in literature review. The study established that the organization had well documented vision and mission statements, core values and strategic pillars which were communicated to employees and other stakeholders in both written and one on one communication form. This confirms Thompson and Strickland (2007) that entire management team is involved in propagating and communicating the vision as well as mission statements. This confirms Bryson's (1989) observation that the environment that the organizations operate has necessitated strategic thinking in order cope with changing circumstances in the operating environment.

The study also confirms Opens System Theory assertion in that KRCS used SWOT analysis to scan the external environment. Planning takes place at the Organization because the Society operates on a long term strategic plan of five years. The strategic plan contains the strategic issues and challenges to be faced by the organization, such as the vision and mission statements, Strategic Objectives, organization structure, funding and revenue mobilization, a monitoring and evaluation framework, monitoring methodologies and evaluation mechanisms, strategic initiatives and finally key assumptions and risks. This concurs with a study by Johnson et al, (2010) who observed that SWOT analysis creates a quick overview of an Organization's strategic situation through the dimensions of strengths, weakness, opportunities and threats. Pearce and Robinson, (2007) also noted that organizations must be alert for potential important outer ring developments, and from these developments the Organization then asses their impact and influence and adapts the Organization's direction and strategy as required.

The study also confirms to Contingency Theory thorough the claim that there is no best was to organize an organization or lead it (Fielder, 1964. KRCS's vision communicates desired future state of the organization. It is an aspiration around which a strategist within the organization seeks to focus the attention and efforts of members of the entire organization. The vision also helps guide the actions and decisions of each member of the organization. The organization's mission clearly stipulates the purpose for the organizations existence and signifies what the organization is providing to society. The organizations strategy formulation process adopts a bottom up approach culminating at the NEC which approves the plan and

hands it to the National Council and then to the Secretary General for implementation.

In relation to Industrial Organization Theory (Tirole, 1988), the market or industry in which KRCS operate also influence its strategy formulation and implementation to remain competitive. Nowadays the NGO sector is very competitive and the donor funding is shrinking hence this has influence the need of Strategic initiatives to be formulation and implemented. According to Johnson et al, (2010) during the strategic implementation process, strategies and policies are put into action through development of programs, budgets and procedures. Strategies were then developed from the objectives which are compared to the structure of the market.

The study established that in KRCS the formulation of strategies was the responsibility of the management. The Society indicated that all members of staff participated in strategic management process. Pearce and Robinson, (2007) indicated that involvement of all levels of staff in the strategic management process gives the staff a sense of ownership of the process. This observation doesn't differ with strategic management practices at KRCS.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter documents the summary of the study findings whose main objective was to establish the strategic management practices at Kenya Red Cross Society. It also presents the conclusions that were made from the study; the recommendations as well as the suggestions on areas where further research may be required in order to provide more knowledge that can bridge the research gaps that may have been left by this study

5.2 Summary of Findings

The research findings on the strategic management practices engaged by the management of Kenya Red Cross Society revealed that they do have strategy formulation, implementation guidelines, evaluation, control and change management process. Under strategy formulation the Society has a properly documented vision, mission statements, core values, fundamental principles and strategic pillars which are communicated to the staff by the National Executive Committee in both written and discussion form. The organization involved the whole management team in disseminating and cascading organizational vision and mission.

The study found out that KRCS had an organization strategy under the five year strategic plan which was further broken down in annual objectives for ease of implementation, monitoring and evaluation and keep being revised every five years. The strategic plan contained the strategic issues and challenges to be faced by the

organization, the vision and mission statements, organizations situational analysis, the proposed organizational structure, documented human resource structure, resource mobilization plan, a monitoring and evaluation framework that guides monitoring procedures and evaluation systems and then major assumptions and anticipated organizational exposure and risks. The KRCS Strategic plan focuses of four main areas to create and deliver value to beneficiaries, partners and stakeholders. They include the following pillars, operation excellence, investing in KRCS staff, building a strong national Society and a balanced scorecard. KRCS used SWOT analysis (that is strength, weakness, opportunities and threats) and PESTEL analyses, which stands for political, environmental, social, technological, ecological and legal, to scan the internal and external environment facing the organization.

At KRCS, Strategy implementation follows the strategic plan which is broken down to thematic areas and strategic pillars to facilitate ease of implementation. This Implementation involves the setting up organization structure and aligning it to the strategy, having strategic initiatives to enhance implementation, efficient, effective and value for money in resource allocation having the right infrastructure through information technology ,human resource that are competent and an institutional culture that aligns KRCS with its core value and principals.

KRCS strategic plan has performance measures used to provide an analytical basis or decision making, monitoring and to focus attention on what matters most. Performance measures answers the Questions,” how are we focused at a job of meeting our strategic Objectives?’ Performance Measures for each of the Strategic objectives were developed by the Strategic Leadership Team. The progress reports

are prepared and evaluated on a yearly basis and so as to monitor their achievement. The study also noted that Kenya Red Cross Society placed great emphasis on its strategic choices to focus more on organizational needs, viability of its strategies while ensuring the availability of financial and human resources to drive the strategy

The study noted that evaluation and control measures leads to change management. KRCS has gone through change management by institutionalizing its strategic objectives by embracing a new refined organization structure to be aligned with the County Government and the new constitution through introducing Counties Managers and abolishing Regional Managers form it current structure. The organization employed change management practices such as institutionalization of the change process and its outcomes in the organization will be hoped to achieve maximum resource mobilization from the County Government thus improve service delivery and strengthens the Society's network at the grass root.

5.3 Conclusion

The study concludes that Kenya Red Cross Society practices strategic management process from formulation to implementation, monitoring and performance to evaluation and control. As the organization focuses on formulation of the year 2015 to 2020 strategic plan, there is need for the management engage its employees on new ideas and plan so as to appreciate its full achievement. Strategic management fast tracks organization planned and emergent tasks that are performed by the business managers on behalf of the shareholders on the utilization of organization resources to improve the organizations performance on the external environment. This is because strategies are formulated to respond to the changing environment that faces the

organization because management is sensitive to the context in which it is practiced (Aosa, 1992).

The study established that there was ample focus directed to the process of strategy formulation and implementation but less emphasis on monitoring of strategy thus creating a gap. Although implementation is usually considered after strategy has been formulated, implementation is an integral part of strategic management. In this regard, strategy formulation and strategy implementation is viewed to serve the facilitation of strategic management practices in the organization. Strategy implementation is vital in organizations success and poor implementation has been blamed on a number of strategic failures. It was noted that organizing a Society's activities and people to implement strategy requires more than reconstructing a corporate overall structure. It includes rejuvenating the way in which tasks are carried out at the departmental and interdepartmental level.

The researcher further noted that implementation of new strategies calls for new human capital management priorities and a different use of staff. As such staffing issues arising can invite hiring of new people with new skills and then harvest human resource that contribute minimal value either due to inappropriate or substandard skills. This challenge can be alleviated through training existing employees to learn new skills. Internal promotions should be based not only on current job performance but on also on the staffs skills and abilities that are required to implement the new strategy.

The study found out that there were gaps in monitoring of strategy. The measurement of performance is an essential component of evaluation and control. It was noted that

the effort towards monitoring and measuring performance can create reactions that could interfere with overall performance. It was noted that proper controls should include only the minimal amount of information required to reveal a reliable view of events. This effort should be geared towards monitoring only meaningful activities and results regardless of measurement difficulty. Monitoring of performance should be done timely so that corrective action can be taken before it is for late and preferably short term and long term controls should be used. Controls should focus on identifying exceptions and finally controls should highlight the need of meeting and exceeding standards rather than use of punitive measures for failing to meet the standards.

Strategic management practices is a practical approach that can be used in organizations to bring about the achievement of goals and objectives set out by the organization. Strategic management practices adopted and implemented by organizations should be reviewed at a regular interval to ensure that they are in line with the achievement of success for the organization. Strategic management practices in an organization are an investment that needs to be looked into seriously and amicably. The insights suggested by the study are that strategic management is indeed taken seriously by KRCS and that the organization is keen on ensuring that they use all the possible practices that are available in strategic management that will best be suited to the organization.

5.4 Implications of the Study

The results of the study in regard to the objective reveals that KRCS do practice strategic management to various extents. A considerable proportion of the managers do not communicate policies and decisions to their staff and partners. Some senior

managers have a lot of power and influence and therefore can easily overturn some decisions made if they are not supportive of them. It will be important for these managers to consider communicating to staff and partners about the policies and decisions they make in their strategic management process. This will ensure successful realization of the objectives detailed in the organizational strategic plan and therefore the change in strategy will have a buy in from the employees and hence improve synergy and output.

KRCS should also involve more staff in strategic issue management particularly the middle level and lower cadre staff. Further, they should democratize more the management by allowing more workers in decision making particularly by delegating decision making and responsibilities thus harnessing the variable potentialities in them. Furthermore, KRCS top management should formulate and implement formal succession plans in all its departments. This will ensure that the benefits of succession planning are realized in the entire organization. KRCS management should also accord equal priorities to both strategy formulation and strategy implementation. This is important because poor implementation has been blamed on a number of strategic failures. The research stressed that monitoring and evaluation of strategic plans should be carried out on regular basis. This will enable measurement of performance of various strategic plans and ensure achievement of organizational objectives.

5.5 Limitations of the Study

The limitation in the study emanated from the fact that most studies in literature reviews have different view on how strategy management should be practice. In summary they came up with that fact that there is no best way to carry our strategy

management. However, they all tend to stress that for an organization to survive and remain competitive they need to respond to the ever changing environment by formulating goals and objectives to propel the organization forward. As observed by Aosa (1992) management is sensitive to the context in which it is practiced. This means that organizations that are in similar business do have distinct internal environment to the other organizations and as such do respond distinctively to the external environment. Such limitations should be addressed in the organizational strategic management that will streamline overall organizational processes.

The study searched for contradictions on the information given by KRCS management and minimal discrepancies were discovered. It is known that an organization exist for stakeholders and partners but the way to achieve this may not necessarily be same for all. Some of KRCS senior staff didn't seems to have strategy focus idea on their minds. They either have not been inducted to strategy management classes or they have different field carrier other than strategy management or they lack the experience needed. Major decision in strategy seen to be done by the Secretary General other than collective thinking of the senior management, hence the strategy management practice was not well synchronized.

Finally, due to the different kind of the responses from the interviews, content analysis was used in data analysis. The technique required ample time to arrive at the findings. This emanated from lengthy processes and bureaucracy within the organization. The researcher was required to have a number of approvals for authorization to conduct research. The respondents were busy engaged at work

making data collection difficult especially because the primary mode of collection was through the interview guide hence the need to keep postponing interview dates

5.6 Suggestions for further research

The study recommends further research in in-depth analysis into the performance of strategic initiatives and objectives in relations to its Vision and Mission, effectiveness of evaluations and feedback. The management should study more theories and literature on many strategy management practices has to enhance the strategic management practiced at KRCS. This will enable identification of key performance indicators that can help in improving strategic management at KRCS.

KRCS should also involve more staff in strategic issue management particularly the middle level and lower cadre staff. Further, they should democratize more the management by allowing more workers in decision making particularly by delegating decision making and responsibilities thus harnessing the variable potentialities in them. Furthermore, KRCS top management should formulate and implement formal succession plans in all its departments.

The study recommends further research on the effectiveness of the strategic plans at KRCS particularly the effectiveness of 2011 to 2015 strategic plan compared with the previous 2006-2009 strategic plan and the with the new 2016-2020 being developed.. This will provide important information on the benefits achieved in strategic planning and challenges met in the process of implementation of the strategic plans at Kenya Red Cross Society.

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APPENDICES

Appendix I. Introduction Letter

Vincent Kirui

C/O University of Nairobi,

School of Business, MBA Programme,

P.O Box 30197,

Nairobi, Kenya

Mobile No. 0721470005

To.....

Dear Sir/Madam

RE. REQUEST TO COLLECT DATA FROM YOUR ORGANIZATION

I'm a student from the University of Nairobi undertaking a Master of Business Administration degree program. I have successfully completed Part I (course work) of my studies and embarked on my Part II (Research Project). The title of my research project is 'Strategic Management at Kenya Red Cross Society'.

The purpose of this letter is to request for permission for an interview in your organization to enable me to complete Part II of my course work. I will appreciate your support and therefore look forward for your positive consideration.

Yours Sincerely,

Vincent Kirui

Appendix II. Interview Guide

Part A. Details of respondent

1. Respondent Name _____
2. Position Held _____
3. Nature of years in the position _____

Part B. Strategic Management Practices at Kenya Red Cross Society

Being guided by the factors listed below, how would you describe strategy formulation, implementation and monitoring at Kenya Red Cross Society?

- a) Do the management have the skills that enable successful strategy management process?
- b) How often does KRCS formulate their strategy?
- c) How often does KRCS review and monitor their strategy?
- d) How do different thematic areas affect strategy formulation, implementation and monitoring?
- e) Is the Income Generating Activities (IGAs) done by KRCS backed by approved strategic plan or is it an individual idea along the way?
- f) How unique is KRCS strategic management process compared with other NGO's?
- g) Does KRCS have an employee training programme geared towards strategic formulation, implementation and monitoring?
- h) Does the recruitment of KRCS supports strategy management process?
- i) Do Staff performance appraisal supports strategy formulation, implementation and monitoring?

- j) Does KRCS has an annual work plans to support strategy formulation and implementation i.e. is the strategy documented?
- k) What is the experience of KRCS with the following challenges as far as the strategic management process is concerned?
 - i) Ineffective leadership during the formulation process.
 - ii) Ineffective leadership during the implementation process.
 - iii) Ineffective leadership during the evaluation process.
 - iv) Ownership of the strategy and the related strategic management process activities.
 - v) Inadequacy resources.
 - vi) Lack of the rights skills and abilities for strategic management process.
 - vii) Important risks due to internal and external factors not being identified properly during formulation and during the implementation.
 - viii) Strategies formulated without considering the implementation process.
 - ix) Lack of clarity on the objectives of the strategy, responsibilities, tasks and activities that employees should take.