



**FACTORS INFLUENCING THE ENVIRONMENTAL SCANNING OF ORGANIZATIONS IN MANUFACTURING SECTOR:
A CASE STUDY OF KENYA BREWERIES LIMITED.**

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A CASE STUDY OF KENYA BREWERIES LIMITED**

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ABSTRACT

In today's business environment, competition is order of the day. Any business that is not aware of its environment is bound to run into some crises that will definitely arise from the increasing complexity of the environment in which such business operates. Environmental scanning is the tool used in analysis of the environment and its effectiveness depends on some underlying factors.

The purpose of this study was to investigate some of these factors affecting the environmental scanning of organization using Kenya Breweries Limited as a case study. The research problem was studied through the use of a case study research design. The target population of this study was the staff working at Kenya Breweries Limited. A sample of staff drawn from the population of 250 management staff comprising of the top, middle and low level management ranks. Using stratified sampling techniques a sample of 75 respondents was drawn. Primary data was collected through the use of questionnaires. A pilot study was undertaken on eight to test the reliability and validity of the questionnaire. Data was analyzed using descriptive statistical tools and inferential statistical tools were used to determine the relationships between the various variables.

From the findings the independent factors under study greatly affected the environmental scanning activity accounting for 87.5 % of variation of environmental scanning. The results of the ANOVA test showed that the independent variables are important in predicting Environment Scanning.

Key Words: Organization Strategy, Information Communication Technology, Environmental Scanning, Manufacturing Sector.

Background of the study

Organizations operate in an information economy in which their success depends more on knowledge than on the resources they own. In this context, competitive performance is based on the ability to acquire, treat and use information efficiently in order to make decisions. Competitiveness of an organization depends on their business strategy. However, in order to develop an efficient strategy, it is necessary to understand what makes the organization competitive. Therefore, the organization needs to know the environment in which it operates before it develops its competitive strategy (Everton, Elton & Carlos 2014). Olarewaju & Folarin (2012), citing Duncan (1972) defined environment as the relevant physical and social factors outside the boundary of an organization that are taken into consideration during organizational decision making.

The environment itself perhaps, more than any other factor, affects organizational structure, internal process and managerial decision making. It creates uncertainty for managers through environmental changes, events and trends which continually send signals and messages that must be recognized by the organization. In order to pick up these signals and make use of the information, the organizations need to establish efficient environmental scanning, a process which can be viewed as a kind of radar to scan the world systematically and signal the new, the unexpected, the major, and the minor. Indeed the environmental scanning, is becoming critical for all types of organizations to survive and remain successful. A case in recent times is the 2008/2009 economic crisis which provided a strong impulse for companies to focus earlier on emerging threats and opportunities (Welter, Mayer & Quick 2013). The main functions of such scanning systems are to gather, interpret, and use pertinent information about events, trends, and relationships in an organization's environment to assist management

in planning the future course of action (Aguilar 1967; Welter, Mayer & Quick, 2013).

Organizations have to closely monitor their task and remote environments, and use the acquired environmental information to assist in tactical and strategic decision making. In fact many companies have gone out of business simply because a change happened in their business environment to which they failed to respond quickly and appropriately. Thus environmental scanning, serves as the first link in the chain of perceptions and actions that permit an organization to adapt to its external environment (Zhang, Majid & Foo 2012).

MANUFACTURING SECTOR

Kenya is a favorite destination for investors willing to put their money in manufacturing. While the country is not endowed with the mineral wealth most of its neighbor's flaunt, it more than makes up for it, thanks to the following: one of the best workforces in Africa, a productive agricultural sector and hence a dependable source of raw materials for agro-based manufacturing, a fairly versatile financial services sector, bankable telecommunications and proximity to port facilities. Kenya also has locational advantages as the gateway and a natural launch pad to the markets of the mostly Landlocked East and Central African countries like Uganda, Southern Sudan, Rwanda, Burundi, parts of northern Tanzania and Eastern Democratic Republic of the Congo (DRC) (KAM, 2014).

Some key Kenyan manufacturing subsectors that have increased demand in the recent past include galvanized iron sheets, cement, cigarettes, beer and Wheat flour. All of these have increased production between 2003 and 2005, particularly cement which is a good indicator of economic activity. On the consumer goods side, goods manufactured locally include stationery and grooming products. To harness resources in different parts of the country, the Government promotes region—specific industrial and

manufacturing clusters. Necessary infrastructure and services are provided to stimulate development of these clusters (KAM, 2014).

Investment opportunities exist in development of Industrial Parks including Small and Medium Enterprises (SME) Parks and Export Processing Zones (EPZs), which offer a range of fiscal incentives that help in reducing start—up and operational costs, thereby making exporters internationally price-competitive. The investor will be able to recover investments either through renting or selling the units (KAM, 2014).

Kenya Breweries Limited

East African Breweries Limited, commonly referred to as EABL, is a Kenya based holding company, which manufactures branded alcoholic and non-alcoholic beverages. The group's headquarters are located in Nairobi with subsidiaries in Kenya, Uganda and Tanzania. It has distribution partners in Democratic Republic of Congo, Rwanda and South Sudan. EABL's core brands include, among others, Tusker, Pilsner, Bell Lager, Guinness, Malta Guinness, Alvaro, Uganda Waragi, Senator, Johnnie Walker and Smirnoff Ice. Kenya Breweries was founded in 1922 by two white settlers, George and Charles Hurst. The company is owned by the Dodd family of Kenya. By 1990, most of the shareholders were Kenyan and the company was very successful (Kanter and Bird, 2009).

Statement of the problem

The environment is continuously changing hence giving businesses serious challenges to stay in the market, necessitating the understanding of the environmental forces, their nature, changes, trends and interactions including their "ripple effects". These Environmental forces are actually critical determinants of threats and opportunities a firm expect to face in its future and hence the managers need to quickly respond to, in order to keep the company on track and be able to meet its objectives. Mutuku (2014), in his contribution

stated that firms must continuously survey the environment for signs of future discontinuity and potential surprises and that they must respond to frequent changes in competitive structure and dynamics.

The manufacturing sector in Kenya is facing a myriad of problems ranging from a harsh environment characterised by high import dependency, inappropriate policies, high taxation, political instability in neighbouring countries and stiff competition to low learning and innovation capabilities. Manufacturing sector must therefore embrace effective scanning of the environment which is seen as necessary to the successful alignment of competitive strategies with environmental requirements and the achievement of outstanding performance.

General objective

The general objective of this study was to investigate the factors affecting the environmental scanning of organizations using Kenya breweries limited as a case study.

Specific objectives of the study

- i. To establish the effect of organizational strategies to the environmental scanning of Kenya Breweries limited.
- ii. To examine the effect of information communication technology to the environmental scanning of Kenya Breweries Limited.

LITERATURE REVIEW

Introduction

This chapter presents a review of literature based on the research topic and study objectives.

Theoretical Framework

A theoretical review offers a conceptual foundation necessary for conducting research. In this section we examined what various scholars and authors had said about factors affecting environmental scanning of organizations.

Systems Theory

The theory states that mechanical, organic and social systems (including organizations) can be defined by their interactions with their environment (Gregory 1999). As strategic planning moves towards maturity, the viewpoint that is increasingly being applied is that of the organization as an "open system". Simplistically this notion holds that an organization's growth and survival is dependent on the nature of the environment it faces and those which it may face in the future (Fahey, & King, 1981). According to Katz and Khan (2008), organizations are open social systems with emphasis on two aspects system character where movement in one part leads to movement in other parts in predictable fashion; and openness to environmental inputs, so that they are constantly in a state of flux. Organizations are open systems that are formed by the relatively stable interaction patterns of their members. The interaction patterns are the products of communication, which is an essential component of organizational functioning and not an independent variable.

Resource-dependency theory

Resource dependence theory is based on the principle that no organization is self-sufficient and that it obtains resources through exchanges with the environment (Gatwiri, Bichanga, Loki & Makau, 2014). The Vulnerability of the organization depends on the control it can exercise on the resources in the environment. This implies the more resources under firm's control the less vulnerable it is and more competitive vis-à-vis others in the same environment (Gatwiri et al, 2014). Barringer and Harrison, 2010 in their contribution acknowledged that the competitive advantage can only be sustained provided the resources acquired "are rare, valuable in the market, imperfectly imitable, and no substitutable.

Resource dependence is affected by munificence, or the abundance of resources; concentration, the

extent to which power and authority in the environment is dispersed; and interconnectedness, the number and pattern of linkages among organizations in the environment. The degree of dependence would be great when resources are scarce, and when entities in the environment are highly concentrated or interconnected. An organization can manage increasing dependence by adapting to or avoiding external demands; changing the patterns of interdependence through growth, merger, and diversification; establishing collective structures to form a 'negotiated environment;' and using legal, political or social action to form a created environment. Thus, 'managers are manipulators and schemers vis-a-vis their environments (Aldrich, 2009).

Institutional theory

Institutional theory generally regards organizations as being 'forced to respond to, adapt to, or imitate the ebb and flow of normative and regulatory currents in their environments (Aldrich, 2009). Organization-environment relations are described by verbs that carry the connotation that environments dominate or overpower organizations: change is imposed, authorized, induced, imprinted, and incorporated (Scott 1987; Choo, 2005),

Institutional theory identifies internal and external environmental factors as institutional factors (economic constraints, competition; copying best practice from others, accounting standards/financial legislation, socioeconomic political institutions' pressures, professionals, top management/corporate culture, organizational strategic orientation and organizational characteristics), according to which the behavior of an organization could be disclosed and researched (Hussain & Hoque, 2008). The analysis of different institutional factors groups showed that institutional factors perform in different ways.

The environment along with trade practices and various external constituents in a particular society can often influence the behavior of organizations. Apart from their economic or technical reasons, organizational systems may be adopted to comply with external pressures. Additionally, organizations may adopt certain systems, policies, and procedures by imitation and copy one another to demonstrate conformity with institutionalized practices.

Fahey and King's scanning model

Fahey and King (1977) study consists of a descriptive analysis of a survey in which twelve large business organizations were questioned in depth about their environmental scanning activities. The objectives of the survey were the identification of environmental scanning processes and activities, and the assessment of the relationship of the activities to corporate planning. An important aspect of Fahey and King's study is the conceptual framework developed to characterize, evaluate and compare companies' scanning activities. Instead of four scanning modes, as developed by Aguilar, they present three scanning models ranging from the less structured scanning activity, to the most complex one. The scanning models proposed are the irregular model, the regular model and the continuous model.

According to Fahey and King the irregular model can be seen as mainly a reaction to a 'crisis', while the regular model is more comprehensive and systematic than the previous and its approach is typically decision or issue oriented. The continuous model emphasizes the on-going monitoring of various environmental systems (political, regulatory, and competitive) and while the other models provide environmental information to support specific choices, the continuous model supports the variety of choices inherent in strategic planning.

Fahey and King's study provides an accurate analysis of the contemporary scanning activities by organizations and shows the range of different practices in use. As they demonstrate, despite the evidence shown by research towards the benefits of environmental scanning companies still face their business environment reactively and without any concern for its analysis and monitoring.

Conceptual framework

The figure below shows the relationship between the dependent and independent variables.

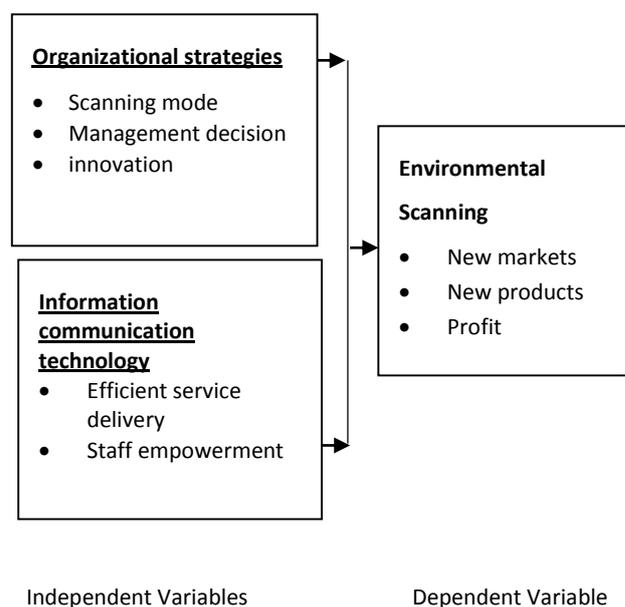


Figure 1: Conceptual Framework

Organizational Strategy

Organizational strategy is all about competitive advantage. In general, strategy is to do with long term prosperity. It is concerned with long term asset growth, not short term profit. Thus organizations need strategy in order to ensure that resources are allocated in the most effective way. This is particularly important when it comes to major resource allocation decisions (Papulova & Papulova, 2006). Thus the purpose of the strategy is to set the direction of the organization and the consistency of the effort.

An organization that follows a particular strategy, such as a product differentiation, cost leadership,

or focus strategy (Porter 1980), or adopt a certain strategic behaviour such as prospector, analyser, or defender (Miles and Snow 1978), is likely to adopt a scanning mode that provides the required information and information gathering capabilities to pursue its desired strategy (Choo, 2005). The strategy can be regarded as plans for actions that influence how we do things. Understanding organizational strategy requires proper evaluation on the position of an organization, whether the adopted strategy is working well and if not why and how should we go about it? According to Dess, et al (2005) and Babatunde & Adebisi (2012) Organizational strategies consist of the analysis, decision and action an organization undertakes in order to create and sustain competitive advantages over a length of time. Hence managers of the organization need to determine, how a firm is to compete. For example, they can decide to position the company as the low-cost producer, or develop products and services that are unique which will enable the company charge premium prices or some combination of both (Babatunde & Adebisi 2012).

Information communication technology

Peters (2006), argues that perhaps the latest single influence on organizational architecture is information technology. Information technology and in particular computer networks facilitates people to communicate quickly, share ideas and transfer information without regard to physical locations.

One of the impacts of adoption of Information communication technology is empowerment of staff. Indeed, the virtual organizational structure where employees are able to work independently as a result of having access to the required information has become a reality. Another key impact of information technology is organizational structure as well as business processes (Kallberg, 2012). Existing literature indicates that the structure will nearly always be affected by the

implementation of technological systems. Organizations need to match their organizational structures to technological capabilities. Peters (2006) points out that the role of organizational hierarchy, as the principal means of coordination, control and facilitation of communication is dramatically impacted upon by the capabilities of information technology. Main (2012), notes that winning companies adopt fluid structures that can be altered as business conditions change and that organization with well-developed management information systems adopt flatter structures.

Environmental Scanning

Environmental Scanning (ES) is the acquisition and use of information about events, trends, and relationships in an organization's external environment, the knowledge of which would assist management in planning the organization's future course of action (Choo, 2005). According to Choo (2005) while citing Aguilar (1967), organizations scan the environment in order to understand the external forces of change so that they may develop effective responses which secure or improve their position in the future. It is actually done to avoid surprises, identify threats and opportunities, gain competitive advantage and improve long-term and short-term planning (Choo, 2005).

Environmental scanning is influenced by external factors such as environmental turbulence and resource dependency, organizational factors such as the nature of the business and the strategy pursued, information factors such as the availability and quality of information, and personal factors such as the scanner's knowledge or cognitive style Choo, 2005).

Empirical Review of Literature

A number of studies in the literature have emerged on factors affecting environmental scanning of organizations. Babatunde & Adebisi (2012) did an empirical study on relation between Environmental Scanning and Organization

Performance. The data was collected by means of questionnaire administered on the management staff of Nestle Nigeria Plc and Cadbury Nigeria Plc. Findings revealed that 30% of the variation or change in effective organization performance is caused by variation in strategic environmental scanning arising from factors under study. It also revealed that the use of strategic environmental scanning in evaluating the environmental forces (opportunities and threats) has helped in seizing the opportunities and overcoming threats thus leading to profitability. The study concluded that management needs to take into cognizance the environmental dynamism and uncertainty in adopting strategy and that the organization should endeavour to train and retrain their employee in areas of environment so as to create a conducive working environment for the organization.

Jorosi (2008) did a study on the scanning behaviour of CEOs of SMEs (Small and Medium Enterprises) in Botswana's manufacturing sector. The key findings of the study were: (1) the CEOs in the study display a propensity to scan the task environment with greater frequency focusing most on the customer, competitor and suppliers sectors; (2) CEOs in the sample are systematic scanners and frequently use the continuous scanning mode; (3) the sampled CEOs consider personal sources (customers, business associates, managers and suppliers) as their preferred sources of information; and (4) CEOs use a mosaic of sources but tend to rely on personal sources more than impersonal. In conclusion his study provides fresh evidence on the scanning practices of CEOs from a developing country context. The findings corroborate existing scanning theory generated from the developed world, especially the United States.

Abiodun (2009,) did a study on the relationship between perceptions of strategic uncertainty and environmental scanning frequency. A sample of 71 top corporate executives in 5 banks in Nigeria were involved. The study was carried through personal interviews with the executives. The empirical

findings of this study were then compared with the results of prior research on environmental scanning in the United States in order to draw conclusions on scanning behavior and strategic management practice in various environments. The study showed that the task environment which include factors such as competition, customers and technology, was considered as creating greater uncertainty than the Macro-environmental variables thus leading to significant intensity of scanning. It was concluded that managerial discretion and judgement should play a significant role in determining the sections of the environment to be scanned and scanning void should not be permitted if effective and efficient organisation-environment fitment required to secure superior competitive advantage is to be attained.

Zhang & Majid, (2009) investigated how to conduct effective environmental scanning and information sharing practices of Small and Medium Enterprises (SMEs) in Singapore. The objectives of the study included looking into the information needs of SMEs, the sources frequently utilized for the acquisition of environmental information and how this information is processed, stored, disseminated and utilized. A total of 46 SMEs representing different industries participated in the study. It was found that a majority of the participating companies perceived that external environmental information is critical to their survival and growth. Hence frequent environmental scanning regardless of their size, age and degree of volatility should be undertaken. This is informed by the fact that to-day's turbulent environment requires organization to continuously detect the changes and trends and hence adjust their strategies and behavior accordingly.

Saadeghvaziri, Khaef, Motaqi and Esfahani (2012), did a study in getting a better understanding of the relationship between environmental scanning and performance. A total of 82 CEOs of automobile parts manufacturing companies in Iran

participated in the survey. The study showed that scanning competitors' environment is the major and only factor that influences the performance and not the scanning of the economic, political, legal, socio-cultural, technological, and suppliers' environments. The study concluded that Iranian parts manufacturing companies can focus deeply on the competitor's environment to improve their performance, instead of gathering excessive information. This does not mean they should ignore other environmental information; but that the concentration of the company should be on analysing the competitor's environment information. This would increase the competitive power of the company in the global market. Also, it should be kept in mind that too much information gathered from the environment may confuse the company and may act as a threat.

Cancellier, et al., (2014) did a study on relation between the scanning of environmental information, strategic behaviour and performance using a sample of 61 car dealers in Brazil. The results showed that prospectors scan data from the competition as well as technological aspects and access written sources of information and internal sources of information more frequently than those that adopt another type of strategic behaviours. Overall, the scanning of information sources was more associated with the performance than with the strategy measured by the strategic behaviours typology.

Muhammad & Jantan (2009) conducted a study to determine the extent of environment scanning in relations to the quality of investment decisions made by the managers. A survey through personal contact and personally distributed questionnaires was carried out to the CEOs or Higher-level managers located all over Malaysia. The study showed that the decision makers who concentrate more on the information related to the areas such competitive trend, values and product as well as economic and financial management will have a higher decision quality. In short decision makers

require constant attention to competitors as well as economic changes that are impacting new product design and delivery. The study concluded that the executives should scan their organization's environment in ways that directly impact a quality decision.

Walters, Priem and Shook (2005), examined two elemental research questions for strategic management: 1) what is the connection, if any, between business-level strategies and the sectors, managers scan most in their external environments; and 2) are business-level strategies associated with specific internal firm characteristics and managers' capabilities? They evaluated these questions by using a field survey involving the highest ranking manager of each manufacturing firm as a respondent. The respondents who participated were from 116 firms. The firms were grouped by the business-level strategies pursued i.e. either as cost leader or differentiator or 'stuck-in-the-middle'. The findings were that managers of differentiators perceived more importance in scanning market research, product R&D, and basic engineering than did managers of cost leaders. Cost leaders' managers placed more importance on scanning cost controls than did managers of differentiators. For external scanning, managers of differentiators perceived the market environment as more important than did cost leaders' managers. They found that small business managers divide their attention among external and internal domains, supporting Weick's (1979) arguments. They concluded by stating that there were connections between the strategies being pursued and external and internal scanning emphases.

Teryima, Timothy & Ngovenda (2012), undertook a study to establish the role of environmental scanning as a tool for enhancing productivity and growth in goal oriented organizations with a focus on Dangote Cement Plc Gboko plant in Nigeria, West Africa. The population of the study consisted of all the employees of Dangote Cement, Gboko

Plant. The finding of the study revealed that environmental scanning is an important tool for organizations to adopt in order to monitor their relevant environment in the process identifying opportunities and threats affecting their business, and that adequate financial resources and skilful knowledgeable experts be made available to undertake the exercise. They also found that the most important factors to be considered for environmental scanning are events, trends, issues and the expectations of different interested groups such that market share and growth profitability.

Rintari & Makori (2012) conducted a study seeking to investigate the role of strategic planning practices on the organizational performance of public institutions in Kenya with an emphasis on the public service commission of Kenya. In order to determine the process of strategic planning as practiced in the public institutions. Rintari & Makori (2012) identified Environmental Scanning together with three other variables against which they were to evaluate their influence on the performance Public Service Commission of Kenya. The study concluded that there is a positive relationship between environmental scanning and organizational performance of the Public Service Commission of Kenya. The most common environmental scanning tools in the organization included scenario Building, PEST analysis and SWOT analysis. The study also established that environmental scanning leads to faster reaction times. Further, environmental scanning leads to higher growth rates, enhances firms' knowledge base and their effective planning horizon and provides a company with more accurate market and industry insights, and hence more likely to satisfy current customers.

RESEARCH METHODOLOGY

This chapter presents the methodology that was used in conducting the study, data collection and analysis.

Research Design

Orodho (2008) defines a research design as the scheme, outlines or plan that is used to generate answers to research problems. It is the conceptual structure within which research is conducted. The study used a case study.

Target Population

Target population as defined by Mugenda & Mugenda (2003), it is that population which the researcher wants to generalize results. The target population was consists of Kenya Breweries Limited's staff. The study population of the study was narrowed to comprise of top management, middle level management, and lower level management of Kenya breweries limited and totaled up to 250 employees according to data gotten from Kenya Breweries Limited.

Sampling frame

Sampling frame is a complete list of all the cases in the population from which a sample is to be drawn (Saunders, Lewis & Thornhill, 2009). The total number of management staff is 250.

Sample and sampling technique

Sampling is a process of selecting a number of individuals or objects from a population such that the selected group contains elements that are representative of characteristics found in the entire group. According to Mugenda and Mugenda (2003), 30 % of the accessible population can represent the total population. The accessible population in Kenya breweries limited was 250 and the sample size was calculated to 75. Stratified random sampling technique was used to select the sample. Stratified sampling, groups a population into homogeneous subjects that share similar characteristics to ensure equitable representation of population in the sample (Mugenda & Mugenda, 2003).

Data Collection Instrument

The study adopted the use of a questionnaire to collect data from respondents. The researcher

used a structured questionnaire with a mix of closed and open ended questions to collect primary data intended to investigate the factors affecting the environmental scanning of organizations. It also included in the questionnaire Likert type scale for the purposes of carrying out parametric statistical analysis.

RESEARCH FINDINGS AND DISCUSSION

Introduction

This chapter presented the research findings and results of the study. Data analysis was conducted for each of the specific objective. Descriptive statistical analysis was used to identify frequencies and percentages to answer all of the questions in the questionnaire.

Response Rate

A total of 75 questionnaires were distributed, a total of 56 questionnaires were returned representing a response rate of 74.7%.

Demographic Data

Demographic information for respondents from Kenya Breweries Limited, are presented in this section.

Gender of the respondents

Majority of the respondent 61% were males while 39% were females.

Age category of the respondents

From findings majority of the respondents were in 26-35 years age bracket. 25% were in 36-40 years; 15% of the respondents had 41 years and above

while 10% of the respondents were in 18 to 25 years age bracket.

Respondents highest level of education

According to study findings; Majority of the respondents at Kenya Breweries Limited 50% had attained Master's degree. 37.5% were degree holders while 12.5% of the respondents were Certificate/Diploma holders.

Number of years worked in the organization

According to findings; majority of the respondents 37.5% had worked for 1 to 5 years. An equal 25% had worked for 6 to 10 years as well as 11 to 15 years. 12.5% of the respondents had worked for more than 16 years.

RESPONSES ON ORGANISATIONAL STRATEGY

From the study findings in table 4.1; in average the respondents indicated that Organization strategy determines the scanning mode of organization by a great extent as indicated by a mean of 3.88 and a standard deviation of 0.788. The respondents also indicated that Organization strategy influences the decision managers make by a great extent as indicated by a mean of 3.63 and standard deviation of 0.702

The respondents indicated that Investments in new organizational functions/processes are screened for consistency with business strategy to a moderate extent as indicated by a mean of 3.00 and a standard deviation of 0.714; the respondents also indicated Organizational strategy determines the products to develop and their intended market to a moderate extent by a mean of 3.25 and standard deviation of 0.977.

Table 1: Responses on Organisational Strategy

	N	Minimum	Maximum	Mean	Std. Deviation
Organization strategy determines the scanning mode of organization	56	3	5	3.88	0.788
Organization strategy influences the decision managers make.	56	3	5	3.63	0.702
Investments in new organization functions/processes are screened for consistency with business strategy	56	2	4	3.00	0.714
Organizational strategy determines the products to develop and their intended market	56	2	5	3.25	0.977

RESPONSES ON INFORMATION COMMUNICATION TECHNOLOGY

Response on presence of I.C.T in the organisation

According to study findings, majority of the respondents 87% of the respondents indicated that the company had a policy on I.C.T while 13% indicated that the company didn't have I.C.T policy.

Responses on Information Technology in KBL

The study findings in table 2, the respondents indicated that policy on Information Technology

guided implementation of major IT decisions in KBL to a moderate extent as indicated by a mean of 3.25 and standard deviation of 0.837; they also indicated that KBL showed the ability to adapt and change quickly to a moderate extent by a mean of 3.13 and standard deviation of 0.788. The respondents also indicated that KBL leveraged and used information communication technology efficiently to a moderate extent by a mean of 3.38 and standard deviation of 0.702.

Table 2: Responses on information technology in KBL

	N	Minimum	Maximum	Mean	Std. Deviation
Policy on Information Technology does guide implementation of major IT decisions in KBL	56	2	5	3.25	0.837
KBL shows the ability to adapt and change quickly	56	2	4	3.13	0.788
KBL leverages and uses information communication technology efficiently	56	2	4	3.38	0.702

From the findings in table 3, the respondents indicated that Information communication technology ensured improved service delivery due to easy access to data and information for decision making by a great extent as indicated by a mean of 4.25 and standard deviation of 0.837. The respondents indicated that Information Communication technology empowered through

easy access to the required information to a great extent by a mean of 3.50 and a standard deviation of 0.874; they also indicated that Information Communication technology enabled alert my superior on potentially significant external change to a great extent as indicated by a mean of 3.52 and a standard deviation of 0.702.

The respondents also indicated that, communication system facilitates changes in organisation’s culture as emphasis shifts from physical presence of employees in the office to the task at hand to a moderate extent as indicated by a mean of 3.25 and standard deviation 0.977; they

also indicated that to a moderate extent, communication system facilitates changes in relationship with customers as services can be requested and delivered on the internet as indicated by a mean of 2.88 and a standard deviation of 0.788.

Table 3: Responses on effects of computerization and communication systems in KBL

	N	Minimum	Maximum	Mean	Std. Deviation
Information communication technology ensures improved service delivery due to easy access to data and information for decision making	56	3	5	4.25	0.837
Information Communication technology empowers me through easy access to the required information	56	2	5	3.50	0.874
Information Communication technology enables me alert my superior on potentially significant external change	56	2	4	3.52	0.702
Information Communication technology facilitates changes in organisation’s culture as emphasis shifts from physical presence of employees in the office to the task at hand	56	1	4	3.25	0.977
Information Communication technology facilitates changes in relationship with customers as services can be requested and delivered on the internet	56	2	4	2.88	0.788

ENVIRONMENTAL SCANNING

According to study findings in table 4, the respondents indicated that, to a great extent KBL periodically gathered and analysed data about market and other external factors which affected the business as indicated by a mean of 3.75 and a standard deviation of 0.687. The respondents also indicated that, to a great extent the organization assess the industry as a whole in terms of new competitors and concepts, new technologies, procurement practices, price trends, labour practices, etc. by a mean of 3.63 and standard

deviation of 0.702; they also indicated that, to a moderate extent, the external/market analysis identified key threats and opportunities to the business as indicated by a mean of 3.25 and standard deviation of 0.437. The respondents indicated that to a moderate extent, the analysis thus gotten include detailed analysis of market or other geographic and/or demographic factors as indicated by a mean of 3.38 and a standard deviation of 0.702; KBL also periodically gather and analyses data about internal operations of the business

Table 4: Responses on statements that relate to the environmental scanning of the organization

Statements	N	Minimum	Maximum	Mean	Std. Deviation
KBL periodically gather and analyses data about market and other external factors which affect the business	56	3	5	3.75	0.687
The organization assess the industry as a whole in terms of new competitors and concepts, new technologies, procurement practices, price trends, labour practices, etc.	56	3	5	3.63	0.702
The external/market analysis do identify key threats and opportunities to the business	56	3	4	3.25	0.437
The analysis thus gotten include detailed analysis of market or other geographic and/or demographic factors	56	3	4	3.38	0.702
KBL also periodically gather and analyses data about internal operations of the business	56	3	4	3.25	0.437
This internal analysis identify key strengths and weaknesses in the organization	56	3	4	3.13	0.334
On completion of its external and internal analyses KBL reviews the mission and goals in light of the apparent threats/ opportunities and strengths/ weaknesses	56	3	4	3.63	0.489

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter presented the summary of key findings, conclusions drawn from the findings and recommendations. The chapter summarized the whole study. The conclusion and recommendations were made in line with the research question and objectives. The chapter thus outlined into summary of the findings, conclusions, recommendations and suggestions for further research.

Summary of the study variables

The primary purpose of this study was to investigate the factors influencing the environmental scanning of the organizations. The study zeroed on organizational strategy and information communication technology as the independent variables. From the finding majority of the respondents felt that Organizational

strategy determines the scanning mode of organization.

In examining the other variable that relates to information communication technology majority of the respondents felt that information communication technology ensured improved service delivery due to easy access to data and information for decision making enabling fast access of information on environmental forces. This will enable identification of opportunities to exploit and minimisation of threats.

Summary of Correlation and Regression Findings

From the results of the correlation analysis done to determine statistical significance between the independent variables (Organization strategy and Information Communication Technology) and dependent variable Environment Scanning at Kenya Breweries Limited. The finding indicate that 87.5% of variation of Environment Scanning was explained by Organization strategy and Information Communication Technology. The

results of ANOVA test showed that there is a significant relationship between independent variables and the dependent variable.

Conclusions

The study concludes that there is a significant positive relationship between organizational

strategy and the environmental scanning in that an organization that follows a particular strategy is likely to adopt a scanning mode that provides the required information and information gathering capabilities to pursue its desired strategy.

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