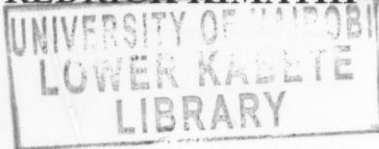


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**STRATEGIC RESPONSES TO ENVIRONMENTAL CHANGES BY FIRMS IN
THE PACKAGING INDUSTRY IN KENYA**

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**A Research Project Submitted in Partial Fulfillment of the
Requirements for the Award of the Degree of Master of Business
Administration**

2012

DECLARATION

This management project report is my original work and has not been submitted for a degree in any other university

Signed _____



Date _____

9/11/12

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D61/75330/2009



This management project has been submitted for examination with my approval as the university supervisor

Signed _____



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DEDICATION

This work is dedicated to my wife Winnie and our children Lenny, Lance and Leon who have had to bear my busy schedule due to work and endless studies which always inspired me to keep on going even when the tasks ahead seemed difficult.

I sincerely thank my supervisor Dr. Gakuru Wainome and my moderator Dr. Jackson Muthi for their tireless support.

My gratitude also goes to my colleagues for their counsel, encouragement and discussion which helped me accomplish my work. Additional thanks to my mother Jais Muriungi, my wife Winnie and our children Lenny, Lance and Leon for their love, patience and tireless support throughout the study period. I am also grateful to all who supported me in one way or the other. God bless you all in abundance.

ACKNOWLEDGEMENT

I wish to thank all persons who contributed to this project being a success. I am grateful to God for enabling me to accomplish my work successfully and in good health. I sincerely thank my supervisor Dr. Gakuru Wahome and my moderator Dr. Jackson Maalu for their tireless support

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ABSTRACT

This study sought to establish the response strategies currently being adopted by packaging industries in response to changes in the external environment. The study had two objectives: to determine the environmental changes facing the packaging industries in Kenya; and to identify the responses adopted by packaging industries to these changes. In undertaking this study, all the packaging firms in Nairobi were targeted. Primary data was collected using a structured questionnaire. The research instrument was administered by the researcher within the participating firms. Data analysis was done using descriptive statistics for quantitative data and content analysis for qualitative data. Results of data analysis were presented using percentages and frequencies tables and charts for quantitative analysis and in prose for qualitative analysis. The study revealed that the main environmental changes facing the packaging firms include regulations governing type of packaging materials to be produced, rules and regulations on disposal of packaging materials with a mean of 4.36 each. The study established that the main challenge affecting packaging firms was cost with a mean of 4.10. To address these challenges, strategic responses adopted by packaging firms include creating awareness on the responsible disposal of packaging materials with a mean of 4.50, compliance to the rules and regulations on disposal of packaging materials (4.4), among others. The study learnt that the strategic efforts adopted by packaging firms include weight reduction (3.3) design for recyclability (3.27), and use of recycled content (3.18). Strategic planning and innovativeness are critical for sustainability of the strategic responses. On the basis of this study it is recommended that packaging firms adopt strategies that will ensure compliance with rules and regulations and also actively adopt innovation and strategic planning. Further research can be carried out on firms in other industries to establish challenges posed by the environment and responses adopted.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The environment in which organizations operate is constantly changing with different factors influencing the organizations. Since the turn of the millennium, the general business environment has become more volatile, unpredictable and very competitive. Coping with the increasingly competitive environment has called on firms to rethink their marketing strategies (Pearce and Robinson, 2005). The days when firms could simply wait for clients to beat a path to their door are long gone. Organizations must realize that their services and products, regardless of how good they are, simply do not sell themselves (Kotler, 2000).

Aosa (1982) notes that industries are responding to customer's demand by becoming more innovative in their new ways of approaching the changed environment. They adopt strategies such as improved customer services, credit facility, post-paid cards and provision of convenience goods and services. Rapid technological change has created a new business environment where innovation has become a top competitive strategy. According to Ansoff and McDonnell (1990), increased competition has created a fundamental shift in economic environment whereas no organization can hope to stay afloat if it fails to come up with proper strategic responses. Terminologies such as retrenchment, mergers, rightsizing, and cost reduction have become a routine for survival means.

Strategy refers to the machinery of the resources and activities of an organization to the environment in which it operates (Johnson and Scholes 2001). According to Ansoff and McDonnell (1990), it is through Strategic management that a firm will be able to position and relate itself to the environment to ensure its continued success and also secure itself from surprises brought about by the changing environment. They further argue that this can be done by firstly, positioning of the firm through strategy and capability planning in its rightful competitiveness, and secondly, use of real time response through issue management and thirdly, Systematic management of resistance during strategic implementation. Therefore strategic management is vital to a firm's success and, indeed,

for its continued survival, thus this study focused on the packaging industrial responses to challenges posed by globalization and liberalization of packaging industry in Kenya.

1.1.1 Organization and Environment

Ansoff (1987) observes that the environment is constantly changing, which makes it imperative for organizations to continuously adapt their activities for them to succeed. In order to survive in this very dynamic environment, organizations need strategies to focus on their customers and to deal with the emerging environmental challenges. The Kenyan business environment has been undergoing drastic changes for some time now. Some of the changes include the accelerated implementation of economic reforms, the globalization and liberalization of the economy, discontinuation of price controls, privatization and commercialization of the public sector and increased competition. In this changing environment, organizations have to constantly adapt their activities and internal configurations to reflect the new external realities. Failure to do this may put the future success of the organization's in jeopardy (Aosa, 1998).

Economic reforms in Kenya commenced way back in the 1990's and covered the entire economy; this includes gradual decontrol of prices, liberalizing the interest rates and privatization of state owned corporations. The government policy on liberalization and privatization was contained in the sector policy paper. This policy document outlined the reform measures to be undertaken in all sectors of the economy in order to stimulate growth and development, specifically through the privatization of the state owned corporation. For some time, the plastic industry has been dominated by the Kenya plastic manufacturers. This was primarily because the range of services offered then were few but, and capital requirements were high, in that only the government could provide this services cost effectively. With the rapid technological change, the capital requirement for investments has drastically come down and the range of services has increased.

The environment in which Kenyan firms operated therefore became turbulent in the 1990's due to the unfamiliar changes in the business environment and exerted heavily on organizations to face competition (Economic Survey of 1998). The changes came up due to the ongoing economic reforms recommended by the Bretton Wood institutions of the

World Bank and International Monetary Funds (IMF). Kenya was forced to accept demands of these institutions as a condition of disbursement of aid which had been suspended in 1991 (Ishrat and Faruquee, 1994).

Accordingly, the Kenya government was forced to liberalize the economy in 1992 while the implementation of the reforms began in 1993 with the liberalization of exchange control, abolition of licensing and removal of price controls (Economic survey, 1994). Since then, many economic reforms have take place and the program is still ongoing. Accordingly, from 1992 onwards, a series of persistent and drastic changes took place in various sectors of the economy with the birth of globalization and liberalization which was accompanied by economic uncertainty (Economic Survey, 1993).

According to Ansoff and McDonnell (1990), successful environment serving organizations are open systems and the open property is made necessary by two factors. Firstly, continued organization survival depends on its ability to secure rewards from its environment, which replenishes the resources consumed in the conversion process. Secondly, continued maintenance by the organization of its social legitimacy. They further observe that a major escalation of environmental turbulence means a change from a familiar world of marketing and production to an unfamiliar world of new technologies, new competitors, new consumer's attitudes and new dimensions of social control and above all unprecedented questioning of firm's role in society. The prospect for the 1990's was for the continued escalation of turbulence.

In developing countries, government systems regulated economic aspects of firm's behavior which hampered competition. This practice encourages the existence of an unprofitable and inefficient firms and blocked new entrance. The restrictive trade practice resulted to benefits accruing to protected firms due to manipulation from the systems rather than from innovation and adoption of new technologies (World Bank report, 1994).

Environment has been characterized as complex, dynamic, multi-facet and having far reaching impact (Kazmi, 2002). As a result of these characteristics, the environment is composed of various factors, events, conditions and influence which interact with each other to create an entirely new set of influences leading to constant environmental change

in its shape and character. A fundamental change is occurring in the world economy whereby the world economies are witnessing the forces of globalization and liberalization of trade. The phenomenon of globalization, according to Hammond and Grosse (2003) refers to “the fact that people around the world are becoming more and more knowledgeable about each other,” this is expected to increasingly affect the insurance sector.

In today’s global environment, change rather than stability is the order of the day. Increased trade liberalization reduces country-based trade barriers, thus increasing the opportunity for cross-border entry (Ellis and Williams, 1995). If new entrants have adopted new technologies and/or developed more efficient business operations systems, the competitive intensity will increase pressure of existing industry to internationalize by weakening their competitive position. Virtually, most industries across the globe are currently experiencing increased pressures for globalization, packaging industry included. Environmental forces of change are the forces which are increasing pressure for globalization of the packaging industry and have led to trade liberalization and opening of the packaging market. These forces have also increased the rate at which companies need to alter their strategies and structures in order to survive in the market.

Despite the several players in the industries, this study is biased towards responses of the packaging industry in regards to the challenges of globalization and liberalization of the industry. In line with the government policy to diversity from doing business and concentrating on its core mandate, currently the government intends to offload some of its shares in the packaging industry through privatization process (Oyoo, 2002).

1.1.2 Response Strategies

Porter (1980) identified three strategic response strategies to business environment changes namely cost leadership, differentiation, and market segmentation. Ansoff (1980) recommended four strategic responses to business environmental changes. They include market penetration, product development, market development, and diversification as strategic response strategies. Ansoff (1980) further noted that diversification strategy is the riskiest, as it requires new skills, new techniques and new facilities. Johnson and

Scholes (2002) argued that strategic responses emanating from the organization level are the most important. They further observed that operational strategies are also important and they should be coordinated to ensure they embrace and achieve the objectives of the organization strategy. Close co-operation among functions is critical to attain organization wide efficiency (Johnson and Scholes, 2002).

1.1.3 Packaging Industries and their Development

Modern packaging not only serves as a way to ship and store products of all kinds, it is also used as a brand identity and a marketing tool, often with an emphasis on protecting the environment with materials that can be recycled being used to manufacture packaging materials. Modern packaging serves to protect the environment and identify brand names.

Packing has evolved from olden day primitive packaging to modern day packaging. The first civilization to package products was the Chinese in the 1st century B.C. During this era food items would be wrapped in mulberry bark. Thereafter Flexible Packaging emerged where paper was used as the main form of packing items. Paper is the oldest form of flexible packaging and this saw paper bags making their first appearance in Bristol, England, in 1844. In 1905, a machine capable of printing on paper bags introduced the concept of commercial packaging. Glass became a widespread packaging solution in the 1800s and plastic was introduced commercially in the 1950s. Thereafter Modern Packaging emerged courtesy of the Smith Brothers who trademarked their cough drops and sold them in glass jars in 1866, paving the way for trademarked brand names and logos on packaged products. The recycling movement that started in the 1960s gave way to the "green" packaging used by many manufacturers today.

While packaging companies serve a variety of markets, the largest end markets for packaging products are food and beverage. Food packaging accounts for approximately 40% (\$175 billion) of all packaging applications all over the globe. Beverages represent approximately 18% or \$80 billion. These end markets are stable, non-cyclical, steadily growing markets that are consequently attractive, regardless of the economic climate.

The growth rate of the packaging industry is primarily driven by growth rates and market trends within various end markets. Growth rates vary from a low of 3.2% for beverages

to a high of approximately 5% for health care products. The largest end market, food, has historically grown at slightly less than 4% annually. It should be noted that sub-segments of an end market may grow at higher rates than the end market itself. For example, while the beverage market has generally been a low growth market, the bottled water sub-segment of the beverage market has recently achieved very strong growth.

The technology of printing and packaging industry has changed over the years from the machinery used to the raw materials used. The packaging industry is very dynamic and has undergone a great deal of change due to the world in which it operates is changing drastically. Governing laws and regulations new products, the globalization of technologies and a general increase in competitiveness have increased in the last over 15 years. The level of knowhow by the global consumers and facilities of storage have developed greater concerns with health and reliability issues such as greater commercial pressure for freshness in goods.

The environmental factors and by-laws which have played a big role in types of packaging to be used. Polythene paper bags which had less than 30 micron were banned and as such suppliers and customers were forced to change packaging technologies. Bottled water produces over 1.5 million tons of plastic waste each year. This is going to create a large problem if the industry does not start working on to deal with waste disposal problems.

Technology on re-usable packaging is becoming very popular. For instance, cooking fat is packed in plastic tins of 1kg, which can also be re-used to store household commodities such as sugar, salt, tealeaves among others. This evolution in product packaging has transformed the packaging of commodities with manufacturers using packaging as a method of attracting customers to buy their products.

Technology on communication and access to information E-commerce is pushing for standard sizes, because people have information of the product being supplied in different parts of the world. It's also important for these manufacturers to produce standardized goods which can be supplied in different parts of the world in meet legal and consumer expectations. Printing and packaging in Kenya has grown in packaging covers from

plastic, foil, paper, polythene packaging machines, labeling equipments, chemicals adhesives and cooling.

1.2 Research Problem

Decisions by managers have a strategic impact and contribute to strategic change. The organization is shown as one of a number of competitors in an industry; and to a greater or lesser degree, these competitors will be affected by the decisions, competitive strategies and innovation of the others. These inter-dependencies are crucial and consequently strategic decisions should always involve some assessment of their impact on other companies, and their likely reaction. The competitive environment is affected by market structure and profitability; the intensity of competitive rivalry and the degree of differentiation; market growth; the stage in the life of the products or services in question and the frequency of new product launches; capital intensity; and economies of scale.

It is important for managers to appreciate where the greatest opportunities and threats lie at any time and focus attention on those areas which are currently affecting the organization and which require strategic attention. To succeed long term, organizations must compete effectively and out-perform their rivals in a dynamic environment. To accomplish this they must find suitable ways for creating and adding value for their customers. Strategic management is a highly important element of organizational success. The need to know what the business is about, what it is trying to achieve and which way it is headed, is a very basic requirement determining the effectiveness of every member's contribution. Every successful organization has this business self-awareness and every successful business seems to have this clarity of vision, even though it does not arise from a formal planning process, Pearson, (1990).

Several studies have been carried out addressing the aspects of Kenyan firms and economic liberalization. Related studies have also been carried out investigating firms' responses to the changing environment in Kenya. Such studies include: Oyoo (2000) on financial performance of SACCOs, Owiye (1999) on sugar industry, Yatich (2001) on Telkom Kenya, Kombo (1997) on motor industry franchise holders. The changes were systematically implemented with a few objectives as the guiding principle, all aimed at a

turn around and privatization packaging industries. A change management approach through a new organizational structure was made by top management based on a new corporate vision and mission. However, the literature cited above indicates that there has been no study focusing on the strategies adopted in response to external environmental changes to the packaging industries in Kenya.

It is in the light of this that a research need arose to establish the response strategies currently being adopted by packaging industries in response to changes in the external environment. The study therefore, undertook to answer the following question: what response strategies are adopted by packaging industries in response to changes in the external environment?

1.3 Research Objectives

The research objectives of this study are the following:

- i. To determine the environmental changes facing the packaging industries in Kenya
- ii. To identify the responses adopted by packaging industries to these changes.

1.4 Value of the Study

The study will aid various stakeholders in the packaging industries obtain details on challenges facing the industry and the details of responses to the challenges. In addition, the study will provide a justification to the responses adopted depending on the success obtained.

The policy makers will obtain knowledge of the packaging industry dynamics and the responses that are appropriate; they will therefore obtain guidance from this study in designing appropriate policies that will regulate the sector participation

The academicians and researchers on the field of strategic management and environment in the packaging industry will be able to use this study as a source of reference in forming their future research topics and studies.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter reviews literature related to the study based on the following sub-thematic areas: Response strategies, strategic management, and strategy and the environment. In the first section various response strategies to changes are reviewed, while in the second section, strategic management is critically examined. Finally, the relationship and effects between strategy and the environment are presented.

2.2 Organization and Environment

According to Johnson and Scholes (2003), dealing with the environment is difficult because of three factors. First is the diversity of the different influences that affect a business. Identifying the environmental influences may be possible but it may not be of much use because no overall picture emerges of the really important influences on the organization. The second difficulty is the speed of change. Managers typically feel that the pace of technological change and the speed of global communications mean more and faster changes than ever before. Third is the problem of complexity. Managers are no different from other individuals in the way they cope with complexities; they try to simplify what is happening by focusing on those few aspects of the environment which have been important historically. It is important to avoid these tendencies whilst achieving an understanding of the environment which is both usable and oriented towards the future.

Ansoff (1980) asserts that when a firm fails to respond to a threat, the losses that result continue to accumulate. The strategic response process is initiated once the rational trigger point is reached. This is the point at which accumulated data shows that there is serious decline in performance which cannot be reversed and that special counter measures are required. Reactive management occurs if the start of the response is delayed past the trigger point. The start of response is delayed past the rational trigger point due to four factors; systems delay, verification delay, political delay, and unfamiliarity delay (Ansoff and McDonnell, 1990).

Systems delay typically occurs in large firms due, in part, to the time consumed in observing, interpreting, collating and transmitting information to responsible managers. In another part, it is due to the time consumed by these managers in communicating with one another and establishing a common understanding as well as the time necessary for processing the decisions among the responsible groups and decision levels. A verification delay may be invoked because some managers will argue that, even though the level of impact has reached unacceptable proportions, there is never an ironclad assurance that the threat is real and that the impact is permanent. They will opt for waiting a little longer to see if the threat will 'blow itself out.'

A political delay may occur if certain managers, whose domain contributes to the crisis, feel that the recognition of a crisis will reflect on their reputation and/or will cause them to lose power. Even if they are convinced that the threat is real, they will want to fight a delaying action to avoid becoming scapegoats, to gain breathing space to develop a line of defense, or to line up a line of retreat. Unfamiliarity rejection delay would contribute to other three if, as is typical in the Western managerial culture, the managers are trained to trust prior and familiar experiences and reject unfamiliar ones as improbable and invalid.

These delays will substantially increase the total cost to the firm. Such response is referred to as reactive management. The organization will incur two types of costs as a result of delayed response to discontinuous changes. These are the cumulative loss of profit and the cost incurred in arresting or reversing the loss. Management problem is to minimize the total losses (Ansoff and McDonnell, 1990).

To survive in a dynamic and highly competitive business environment, different organizations have had to engage various strategies to survive. One such strategy is the corporate turnaround strategy. A turnaround situation is one of pointing out to a new direction. It is a complete change in strategic direction of a firm after it has faced a corporate distress. Such a situation can easily lead to collapse of a company unless a plan of corporate survival and renewal is devised and successfully executed. The starting point is identification of the root cause or causes of the crisis. Turnaround strategies are used when a business worth resuming goes into corporate crisis, Pearce and Robinson (1997).

Boseman and Phatak (1989) argue that if a firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government and how they impact on its operations success is dependent on productivity, customer satisfaction and competitor strength.

Critical success factors are crucial to an organization because it takes into consideration fundamental changes in the environment thus making firms proactive rather than reactive (Bett, 1995). Okutoyi (1992) states that strategy has an important role in helping businesses position themselves in an industry. Effective strategy may enable a business to influence the environment in its favor and even defend itself against competition Aaker (1992) also adds that given the current focus in business, there is need to understand competitor strengths in the market and then position one's own offerings to take advantage of weaknesses and avoid head on clashes against strengths. Kotter (1998) says that to adapt to environmental changes, firms require effective leadership. He further states that, while leadership is crucial, most organizations are over-managed and others under-led. In this regard therefore it is necessary to examine the impacts that leadership and strategic management have on an organization in relation to its external environment.

Johnson and Scholes (2002), view strategy as the direction and scope of an organization over the long-term which achieves advantage for the organization through its configuration of resources within a changing environment and fulfill stakeholders expectations. Boseman and Phatak (1989) argue that if a firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government and how they impact on its operations success is dependent on productivity, customer satisfaction and competitor strength.

Porter (1985) observes that for firms to be able to retain competitive advantage, they need to examine their environment both internal and external and respond accordingly. Ansoff and McDonnell (1990) also point out that the success of every organization is determined by the match between its strategic responsiveness and strategic aggressiveness and how

these are matched to level environmental turbulence. This is because each level of environmental turbulence has different characteristics, requires different strategies and requires different firm capabilities. Therefore, each level of environmental turbulence requires a matching strategy and the strategy has to be matched by appropriate organizational capability for survival, growth and development. Being ahead of the game requires that firms employ competitive strategies that is sustainable and assures them of their market position. A firm without superior strategy is like a blind man leading the way, and actually, existence of strategy is not a guarantee for success. Institutionalizing those strategies, allocation of adequate resources, visionary leadership, and good corporate culture, amongst others are necessary ingredients for successful business success strategies. To be successful overtime, an organization must be in tune with its external environment. There must be a strategic fit between the environment wants and what the firm has to offer, as well as between what the firm need and what the environment can provide (Wheelen and Hunger, 1995). The speed or response time to the environment challenges has been identified (Pearce & Robinson, 1997) as a major source of competitive advantage for numerous firms in today's intensely competitive global economy. It is imperative therefore to quickly adjust and formulate strategies so as not to be overtaken by events.

In his 1980 classic "Competitive Strategy: Techniques for Analyzing Industries and Competitors", Porter simplifies the scheme by reducing it down to the three best strategies. They are cost leadership, differentiation, and market segmentation (or focus). Market segmentation is narrow in scope while both cost leadership and differentiation are relatively broad in market scope. Empirical research on the profit impact of marketing strategy indicated that firms with a high market share were often quite profitable, but so were many firms with low market share. The least profitable firms were those with moderate market share. This was sometimes referred to as the-hole-in-the-middle problem. Porter's explanation of this is that firms with high market share were successful because they pursued a cost leadership strategy and firms with low market share were successful because they used market segmentation to focus on a small but profitable market niche. Firms in the middle were less profitable because they did not have a viable

generic strategy. Combining multiple strategies is successful in only one case. Combining a market segmentation strategy with a product differentiation strategy is an effective way of matching your firm's product strategy (supply side) to the characteristics of your target market segments (demand side). However, combinations like cost leadership with product differentiation are hard (but not impossible) to implement due to the potential for conflict between cost minimization and the additional cost of value-added differentiation, (Porter 1980).

2.3 Response Strategies

According to Porter (1980), strategy is about competition and the means by which an organization tries to gain a competitive advantage. He has described a category scheme consisting of three general types of strategies that are commonly used by businesses. The three generic strategies are as follows: strategic scope and strategic strength. Strategic scope is a demand-side dimension and looks at the size and composition of the market to be targeted. Strategic strength is a supply-side dimension and looks at the strength or core competency of the firm. In addition, he identified two competencies that he felt were most important: product differentiation and product cost (efficiency). Porter simplifies the scheme to the three best strategies: cost leadership, differentiation, and market segmentation (or focus). Market segmentation is narrow in scope while both cost leadership and differentiation are relatively broad in market scope.

The four possible corporate strategies are; market penetration, product development, market development, and diversification as strategies that managers could consider as ways to grow the business via existing and/or new products, in existing and/or new markets. However, he points out that a diversification strategy stands apart from the other three strategies. The first three strategies are usually pursued with the same technical, financial, and merchandising resources used for the original product line, whereas diversification usually requires a company to acquire new skills, new techniques, and new facilities. Therefore, diversification is the riskiest of the four strategies to pursue for a firm. According to him, diversification is a form of growth marketing strategy for a company. It seeks to increase profitability through greater sales volume obtained from new products and new markets. Diversification can occur either at the business unit or at

the corporate level. At the business unit level, it is most likely to expand into a new segment of an industry in which the business is. At the corporate level, it is generally entering a promising business outside of the scope of the existing business unit, (Ansoff, 1980).

The company's corporate strategy should help in the process of establishing a distinctive competence and competitive advantage at the business level. There is a very important link between corporate-level and business level. According to Johnson and Scholes (2002), corporate level responses is the first level of strategy at the top of the organization, which is concerned with the overall purpose and scope of the organization to meet the expectations of owners or major stakeholders and add value to different parts of the enterprise. This includes issues of geographical coverage, diversity of product/services or business units and how resources are to be allocated between the different parts of the organization. The objectives cannot be achieved by continuing to operate in their existing market.

Hill and Jones (1999), argue that focus strategy concentrates on serving particular market niche, which can be defined geographically, type of customer or by segment of the product line. It differs from the first two because it is directed towards serving the needs of a limited customer group or a segment. Hence, the company is specialized in some way. A focus strategy provides an opportunity for an entrepreneur to find and then exploit the gap in the market by developing an innovative product that a customer cannot do without. The company has enormous opportunity to develop its own niche and compete against low-cost and differentiated enterprises that tend to be larger. It differs from corporate strategy in that whereas corporate strategy involves decisions about the entire organization, strategic decision under the business units are basically concerned with how customers' or clients' needs can best be met. According to Johnson and Scholes (2002), "Business unit strategy is about how to compete successfully in particular markets."

Operational strategies are concerned with how parts of an organization effectively deliver the corporate and business level strategies in terms of resources, process, and people. Companies adopt strategies directed at improving, the effectiveness of basic operations within the company, such as production, marketing, materials management, research and development, and human resources. Even though strategies may be focused on a given function, more often than not they embrace two or more functions and require close co-operation among functions to attain companywide efficiency, quality innovation, and customer responsiveness goals (Johnson and Scholes, 2002).

This study was descriptive. Descriptive studies are aimed at finding out "what is". Descriptive research describes data and characteristics about the population or phenomenon being studied. It answers the questions who, what, where, when and how (Kerlinger and Lee, 2006). The description is used for frequencies, averages and other statistical calculations. Observational and survey methods are frequently used to collect descriptive data. Mixed survey by exploiting both quantitative and qualitative methods to achieve the outlined objectives.

3.3. The Population

The population of interest to this study was drawn from Nairobi. There are 17 packaging firms in Nairobi according to the Kenya Association of Manufacturers (2012) (www.kam.or.ke) see appendix II. All the firms were covered in this study. Six questionnaires were administered in each firm and therefore total number of respondents was 102.

3.4 Data Collection

Data collection was based on primary and secondary sources. Primary data was collected through use of a questionnaire that contained open ended as well as closed questions. Questionnaire were administered using the drop and pick method. For secondary data, the researcher used the companies' annual reports, minutes to management meetings, management circulars and other reports from the firms.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers the method of conducting research that was employed by the researcher on the following sub thematic areas; the research design, target population, data collection procedure and data analysis techniques.

3.2 Research Design

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The population of interest to this study was drawn from Nairobi. There are 17 packaging firms in Nairobi according to the Kenya Association of Manufacturers (2012) (www.kam.co.ke) see appendix II. All the firms were covered in this study. Six questionnaires were administered in each firm and therefore total number of respondents was 102.

3.4 Data Collection

Data collection was based on primary and secondary sources. Primary data was collected through use of a questionnaire that contained open ended as well as closed questions. Questionnaire were administered using the drop and pick method. For secondary data, the researcher used the companies' annual reports, minutes to management meetings, management circulars and other reports from the firms.

3.5 Data Analysis

This study generated both qualitative (open-ended questions) and quantitative data (open-ended questions). Quantitative data was coded and analyzed using descriptive statistics and presented in tables. Qualitative data was analyzed based on the content matter of the responses as responses with common themes or patterns were grouped together into coherent categories and presented in prose.

4.2 Profile of Respondents

The study found that a majority of the respondents (45.5%) said have worked in their organization for over 5 years, 27.3% indicated they have worked in their organization for 3-4 years, 18.2% said 1-2 years, and 9.1% said 4-5 years. These results show that most respondents have been with their respective organizations for adequate period and were therefore in the position of providing information for the study. Table 4.2.1 presents these findings.

Table 4.2.1: Years worked at the organization

Years worked	Number of respondents	Percentage
1-2 years	18	18.2
3-4 years	22	27.3
4-5 years	9	9.1
Over 5 years	36	45.5

(Source: Research Data)

The researcher sought to find out the positions the respondents held in their respective companies. Table 4.2.2 presents these results.

CHAPTER FOUR: DATA ANALYSIS, INTERPRETATION AND PRESENTATION OF FINDINGS

4.1 Introduction

This chapter presents data analysis and interpretation of findings. The objectives of the study were to determine the environmental changes facing the packaging industries in Kenya and to identify the responses adopted by packaging industries to these changes. Six respondents were sampled from each of the 17 firms hence a sample of 102 respondents. Of the 102 questionnaires administered, 80 questionnaires were successfully filled which translates to a response rate of 78.6% response rate

4.2 Profile of Respondents

The study found that a majority of the respondents (45.5%) said have worked in their organization for over 5 years, 27.3% indicated they have worked in their organization for 3-4 years, 18.2% said 1-2 years, and 9.1% said 4-5 years. These results show that most respondents have been with their respective organizations for adequate period and were therefore in the position of providing information for the study. Table 4.2.1 presents these findings.

Table 4.2.1 :Years worked at the organization

Years	Frequency (f)	Percentage (%)
1-2 years	15	18.2
3-4 years	22	27.3
4-5 years	7	9.1
Over 5 years	36	45.5

(Source: Research Data)

The researcher sought to find out the positions the respondents held in their respective companies. Table 4.2.2 presents these results

Table 4.2.2: Position held in the organization

Position held in the organization	Frequency (f)	Percentage (%)
Supervisor	7	9.1
Junior Manager	7	9.1
Middle Level Manager	22	27.3
Senior Manager	37	45.5
Other	7	9.1
Total	80	100.0

(Source: Research Data)

According to the table above, a majority of the respondents (45.5%) were senior managers and 27.3% were middle level managers. Supervisors, junior managers and others were 9.1% each.

The researcher wanted to know whether respondents were involved in strategy formulation in their organization and how many were involved in this process.

Table 4.2.3: Respondents involved in strategy formulation

	Involved in strategy formulation			Not involved in strategy formulation			
	Senior Managers	Middle level Managers	Total	Junior Managers	Supervisors	Others	Total
Frequency (f)	37	22	59	7	7	7	21
Percentage (%)	45.5	27.3	72.7	9.1	9.1	9.1	27.1

(Source: Research Data)

According to the table 4.2.3 above, it is only the senior and middle level managers who are involved in the formulation of strategy.

4.3 Environmental Changes Facing the Packaging Industries

This section presents findings on the environmental changes being faced by companies in the packaging industry and the challenges these changes posed.

In order to establish the environmental changes facing the packaging industries, the respondents were asked to indicate the extent to which they agreed or disagreed with statements regarding changes faced by their organization. Table 4.3.1 presents these findings.

Table 4.3.1: Environmental changes facing the packaging industries

	N	Mean	Std. Deviation
Regulations governing type of packaging materials to be produced	80	4.36	.505
Rules and regulations on disposal of packaging materials	80	4.36	.505
Calls to participate in environmental conservation	80	4.30	.483
Attitudes of consumers towards packaging materials	80	4.00	.632
Packaging materials effect on the natural environment	80	3.82	1.250
Packaging materials effect on the health of individuals in the community	80	2.82	1.601

(Source: Research Data)

Among the changes facing the industry were the regulations governing the types of packaging materials to be produced and rules and regulations on disposal of packaging materials as confirmed by a mean score of 4.36 (SD=.505). Respondents also indicated that are among the changes faced by their organization as shown by a mean score of 4.36 (SD=.505). The respondents said there are calls to participate in environmental conservation as confirmed by a mean score of 4.30 (SD=.483) and attitudes of consumers

towards packaging materials ($M=4.00$, $SD=.632$) from changes facing their organization. Few respondents felt that the effects of the packaging materials on the natural environment and on the health of individuals had much impact on the firms

Other forces of change indicated by the respondents included ever changing consumer trends. Consumer trends that were felt to be impacting on the activities of packaging firms include; the increase of women in employment creating a demand for quick and easy to prepare foods, resulting in a growing convenience food market which has led to the fast growth of takeaway food market. Consumers have become more discerning about their requirements and brand owners are responding to this by offering a wider range of more closely targeted products. The rise of consumers who are keen on recycling call for recyclable packaging material and consumers are becoming more health-conscious, thus stimulating purchase of products perceived to be fresh and healthy.

Increased transparency among the supply chain players is another change felt among the packaging firms. Key implications for packaging manufacturers of the supply chain efficiency drive relate to the need for appropriate information technology in order to enable effective communication. This gives rise to a need to provide fast and responsive services.

Increased globalization was identified by the respondents as a major change that had significant implications on the strategy formulation and implementation among packaging firms. Reasons given for this were ease of importation of cheaper raw materials from countries in Asia and the Middle East. E-procurement makes it easy to buy from any country in the world, hence increased international transportation of goods and an increased requirement for appropriate transport packaging.

Development of information technology infrastructure is another change in the environment. The respondents on being asked if the changes in technology has had impact on operations in the firms said that it had greatly affected them in terms of machinery procurement, marketing activities, promotion and pricing strategies. 80 percent of the participant firms admitted to having a website and email address. They were further asked to state the extent to which they had adopted e-commerce in their operations. The key findings were that a majority of the firms were yet to adopt e-

commerce at 43%. Among the firms that had adopted e-commerce, the main activities conducted were online ordering, online marketing, and messaging.

4.4 Challenges facing packaging firms as a result of environmental changes

Respondents were presented with a list of challenges and were asked to indicate the extent to which these challenges affected their firms. Table 4.4.1 below presents these findings

Table 4.4.1: Challenges affecting packaging firms

	N	Mean	Std. Deviation
Cost	80	4.10	.876
Innovation	80	3.80	.789
Availability of raw materials	80	3.50	.972
Sustainability	80	3.00	1.155

(Source: Research Data)

From the data in the table above, cost posed the biggest challenge (M=4.10, SD=0.876) with innovation following closely (M=3.80, SD=0.789). Availability of raw materials (M=3.50, SD=0.972), and sustainability (M=3.00, SD=1.155) were rated to affect packaging firms to a moderate extent.

The other challenge affecting the firms included those posed by Information Technology. These changes include the need to develop cost effective e-commerce solutions that meet customer and supplier needs as well as ensure that internal IT systems and capabilities are robust and enable effective information flow around the business. In addition, the need to evaluate the impact of e-commerce on the business and to gain experience of e-auctions and e-marketplaces, understanding the objectives of customers in using such techniques and developing strategies for participation as well as exploitation of web marketing and sales tools.

Public perception due to environmental protection lobby groups has created a challenge to the flexible packaging firms. This has encouraged the government to believe that plastics are bad for the environment and thus pass inappropriate legislation that discriminates against plastic packaging like the banning of polythene paper with less than 30 micron

Lack of enough skilled workers also poses a challenge in the flexible packaging industry. There happens to a shortage of graduates with skills in engineering, industrial chemistry and other appropriate disciplines. This had led to the need to hire expatriates to fill in these positions which is quite expensive

Raw materials suppliers tend to be located very far geographically, which leads to a rise in transportation costs. In addition, the proliferation of low cost packaging materials from countries with lower production costs poses a challenge to packaging firms. . The cost of transporting lightweight packaging such as film and carrier bags is relatively low; therefore, imports are a viable option.

4.5 Responses Adopted by Packaging Industries

In this section, the researcher sought to determine the various strategic responses adopted by packaging industries as well as the extent to which strategic effort was applied in these firms.

The respondents were asked to indicate the extent to which the changes facing their organization have affected strategy formulation and implementation by packaging firms. A majority of the respondents (54.5%) indicated to a great extent while 27.3% said to a moderate extent. Of the respondents, 18.2% said changes facing their organization have affected strategy to a very great extent.

Asked whether their organizations had been able to adapt to the environmental changes, a majority of the respondents 72.7% said yes while 27.3% said no.

Respondents were asked about their level of agreement or disagreement with a number of statements with regards to strategic responses being adopted by their firms. Table 4.5.1 presents these findings

Table 4.5.1: Responses Adopted by Packaging Industries

Strategic Responses	N	Mean	Std. Deviation
Creating awareness on the responsible disposal of packaging materials	80	4.50	.527
Compliance to the rules and regulations on disposal of packaging materials	80	4.40	.516
Cultivating a culture of conservation in the community	80	4.30	.675
Diversifying into other products that are not affecting the environment	80	4.20	.632
Joining a lobby group to campaign for relaxation of regulations governing production of packaging materials	80	3.90	1.101
Production of alternative packaging materials that have less effect on the health of individuals in the community	80	3.67	1.000
Considering moving away from packaging industry	80	2.10	1.370

(Source: Research Data)

The strategic responses adopted by most packaging firms include creating awareness on the responsible disposal of packaging materials (M=4.50, SD=.527), ensuring compliance to the rules and regulations on disposal of packaging materials (M=4.40, SD=.516), cultivating a culture of conservation in the community (M=4.30, SD=.675), and diversifying into other products do not have a major effect on the environment (M=4.20, SD=.632). Other responses adopted include joining a lobby group to campaign for relaxation of regulations governing production of packaging materials (M=3.90, SD=1.101) and production of alternative packaging materials that have less effect on the health of individuals in the community (M=3.67, SD=1.00). Moving away from the packaging industry was not viewed as a strategic option to be pursued by the firms.

Other strategies adopted include the use of company websites as marketing tools and part of a packaging supplier's overall marketing strategy. Packaging firms are beginning to understand the importance of internet marketing and e-procurement and e-auctions and in general, e-commerce.

When asked whether strategic responses have been successful, majority of the respondents (81.8%) said yes as compared to 18.2% who said no, there was no success following the strategic responses

The researcher then sought to establish the strategic efforts that have been adopted by packaging firms. A list of such efforts was provided to respondents to indicate the extent to which each had been adopted in their organization. The findings are presented below in table 4.5.2

Table 4.5.2: Strategic Efforts Adopted by Packaging Firms

	N	Mean	Std. Deviation
Weight reduction	80	3.30	.949
Design for recyclability	80	3.27	1.191
Use of recycled content	80	3.18	.982
Use of compostable materials	80	2.73	1.104
Renewable or bio-based materials	80	2.55	1.293

(Source: Research Data)

From the data above, much effort is being put in weight reduction (M=3.30, SD=.949), design for recyclability (M=3.27, SD=1.191) and use of recycled content (M=3.18, SD=.982). Use of compostable materials (M=2.73, SD=1.104) and renewable or bio-based materials (M=2.55, SD=1.293) have been adapted to a little extent.

The researcher wanted to know the future prospects of the packaging industry given the strategic responses adopted by the packaging firms. Majority of the respondents (54.5%) said prospects are good while 36.4% said they are very good. Only 9.1% of the respondents who felt that prospects for packaging industry are moderate. The respondents

felt that the good fortune of plastics packaging will continue in the long term as the lower packaging materials cost combined with excellent performance is a great attraction to packer or fillers who have a constant need to reduce the cost of all purchased raw materials. The respondents were also of the opinion that flexible packaging will continue to replace not only its traditional target, carton board, but also metal cans and glass containers, offering the innovative packaging formats such as flat and stand-up pouches.

The respondents were asked to indicate the elements that they thought would enhance sustainability of the strategic responses adopted by packaging firms. Majority of the respondents (54.5%) said strategic planning while 45.5% said innovativeness. These results are presented table 4.5.3 below

Table 4.5.3: Elements enhancing sustainability of the strategic responses

Elements	Frequency (f)	Percentage (%)
Innovativeness	34	43
Strategic planning	29	36
Diversification	17	21
Total	80	100

(Source: Research Data)

Under innovation, the respondents identified several opportunities for improved environmental performance. These include: Reduced raw material usage through improved production processes, Minimization through improved materials, increased use of renewable materials like bio-plastics, increased recycling, development of biodegradable materials and re-engineering of the supply chain.

Packaging makes a positive environmental contribution by protecting and preserving products, thereby avoiding waste. Innovation process i.e. technology commercialization, knowledge transfer, receptiveness to foreign ideas and entrepreneurship. Other ways of achieving sustainable competitive advantage include engaging in research and development which promotes innovation based on new design concepts and pack minimization (weight and size reduction) for cost reduction and improved environmental

performance, shelf life prolongation by producing products with increased barrier materials and techniques.

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Other ways of ensuring sustainability include improvement of product quality, improved functionality, increased emphasis on customer/market satisfaction and adoption of new printing technologies. Adoption of biodegradables to develop into packaging materials that may be polymer-based or starch-based or a combination of both will ensure sustained competitive advantage. This will address the environmental issues as well as increased costs associated with production.

5.2 Summary of Findings

The environment is constantly changing with different factors influencing the organizations, which makes it imperative for organizations to continuously adapt their activities for them to succeed. Coping with the increasingly competitive environment has called on firms to rethink their strategies. This study sought to establish the response strategies currently being adopted by packaging industries in response to changes in the external environment. The study had two objectives: to determine the environmental changes facing the packaging industries in Kenya; and to identify the responses adopted by packaging industries to these changes.

The study revealed that environmental changes facing the packaging firms include legislation on type of packaging materials to be produced, rules and regulations on disposal of packaging materials, calls to participate in environmental conservation, changes in technology, increased globalization, and changing attitudes of consumers towards packaging materials.

The study established that the challenges affecting packaging firms include cost of production, warehousing and transportation, innovation, availability of raw materials, and sustainability in that order. Other challenges include the shortage of skilled workers, the continuous need to adopt Information Technology and importation of cheaper packaging materials from countries in Asia.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the study, conclusions based on the findings and study recommendations. This chapter therefore sought to answer the research question for the study: what response strategies are adopted by packaging industries in response to changes in the external environment?

5.2 Summary of Findings

The environment is constantly changing with different factors influencing the organizations, which makes it imperative for organizations to continuously adapt their activities for them to succeed. Coping with the increasingly competitive environment has called on firms to rethink their strategies. This study sought to establish the response strategies currently being adopted by packaging industries in response to changes in the external environment. The study had two objectives: to determine the environmental changes facing the packaging industries in Kenya; and to identify the responses adopted by packaging industries to these changes.

The study revealed that environmental changes facing the packaging firms include legislation on type of packaging materials to be produced, rules and regulations on disposal of packaging materials, calls to participate in environmental conservation, changes in technology, increased globalization, and changing attitudes of consumers towards packaging materials.

The study established that the challenges affecting packaging firms include cost of production, warehousing, and transportation, innovation, availability of raw materials, and sustainability in that order. Other challenges include the shortage of skilled workers, the continuous need to adopt Information Technology and importation of cheaper packaging materials from countries in Asia

To address these challenges, some of the strategic responses adopted by packaging firms include creating awareness on the responsible disposal of packaging materials, adoption of bio degradable materials, compliance to the rules and regulations on disposal of packaging materials, cultivating a culture of conservation in the community, adoption of Information Technology to address changing customer trends and diversifying into other products that are not affecting the environment.

The study learnt that the strategic efforts adopted by packaging firms include weight reduction, design for recyclability, and use of recycled content. To enhance sustainability of the strategic responses adopted by packaging firms, strategic planning, increased customer, or market focus, engagement in research and design, and innovativeness are critical.

5.3 Conclusion

Regulatory challenges have affected packaging firms significantly. This calls for the firms to comply with new regulations and rules to remain in business. Sometimes compliance translates into additional costs that may adversely affect the business. The packaging firms therefore need to come up with innovative ways of minimizing costs as they comply with the new rules and regulations in the industry.

There have been calls by the community and business leaders for businesses to take care of the environment. Packaging business is one of the industries with a responsibility to participate actively in environmental conservation. This starts with minding how products manufactured by packaging firms may affect the environment and the remedial actions that could be taken. This campaign by environmentalists as well as “green” consumers had led to the packaging firms trying to adopt materials that would not adversely affect the environment. In the same line, the calls for better disposal and the education on dangers of plastics has led to the banning of polythene with less than 30 micron. It is therefore imperative that packaging firms be on the front line to lead a just cause in campaigning for environmental conservation. This way, packaging industry will not be viewed as a pollutant source but a credible partner in making environmental conservation possible.

Some of the strategic responses adopted by packaging firms are good and should be encouraged to ensure that packaging industry not only responds successfully to environmental changes but also contributes meaningfully in environmental conservation. These could be achieved through creating awareness and complying with the laid rules and regulations on disposal of packaging materials. Through joining the community in environmental conservation, packaging firms will cultivate a culture of conservation that is not only healthy for business but also for future generation of customers. To ensure business sustainability, it is wise for packaging firms to consider diversification into products that are less harmful to the environment. The firms also need to actively engage in information technology infrastructure to enable engagement in e-commerce and to ensure customer satisfaction.

5.4 Recommendations

This section contains the theoretical and practical implications of the research findings as well as recommendations for further research.

5.4.1 Recommendations and Policy Implications

This study recommends packaging firms should actively show compliance to rules and regulations of packaging materials disposal. This will address regulatory challenges that may hinder their business. The study also recommends an active role of packaging firms in environmental conservation to erase the image of packaging industry as a pollutant but a partner in conservation.

To overcome challenges affecting packaging firms, packaging industry should embrace innovation and strategic planning. Packaging firms, regulators and the government should be partners in creating awareness on responsible disposal of packaging materials to ensure a healthy environment for the society.

Strategic efforts adopted by packaging firms like weight reduction, design for recyclability and use of recycled content should be encouraged by the regulator and the government through rewards and incentives. Packaging firms should consider diversification strategy and research to enhance business sustainability

This study recommends packaging firms should actively show compliance to rules and regulations of packaging materials disposal. This will address regulatory challenges that may hinder their business. The study also recommends an active role of packaging firms in environmental conservation to erase the image of packaging industry as a pollutant but a partner in conservation. The firms need to find biodegradable materials to reduce on environmental degradation. They should also come up with educational programs that would create awareness among the consumers on responsible disposal as well as recycling of plastics.

To overcome challenges affecting packaging firms, packaging industry should embrace innovation and strategic planning. Packaging firms, regulators and the government should be partners in creating awareness on responsible disposal of packaging materials to ensure a healthy environment for the society. The firms also need to actively engage in research and design in order to come up with new innovative product designs that are low in cost and have little negative effect on the environment. Investment in technology including new machinery and information technology would increase production efficiency as well as relations with players in the supply chain.

Strategic efforts adopted by packaging firms like weight reduction, design for recyclability and use of recycled content should be encouraged by the regulator and the government through rewards and incentives. Packaging firms should consider diversification strategy to enhance business sustainability.

5.4.2 Suggestions for Further Research

Further studies should consider investigating success of strategic responses to environmental changes across a number of sectors to have a holistic perspective of the situation. Future studies should also focus on determining contextual factors affecting strategic responses to environmental changes. In addition, future scholars should formulate a change management framework that will help practitioners deal with challenges associated with change management.

Further studies can also be carried out in the other packaging industries that deal in glass, rigid plastics, carton, wood, and metal. Cross analysis can be carried out to explore if the challenges that affect the flexible materials packaging firms cut across the entire industry.

5.5 Limitations of the Study

This study was conducted among packaging firms that deal with flexible plastics only. This was due to time and financial constraints. This study is therefore limited in its representation of the packaging industry in its entirety.

In addition, senior managers were reluctant to divulge information for fear of the information being used by their competitors.

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APPENDICES

Appendix I: Questionnaire

Instructions

Kindly tick or fill in the spaces provided as appropriate.

Section A: General Information

1. For how long you have you been working for this organization?

Less than 1 year

1-2 years

3-4 years

4-5 years

Over 5 years

2. What is your position?

Supervisor

Junior manager

Middle level manager

Senior manager

Other (specify)

3. Are you involved in strategy formulation or implementation in your organization?

Yes No

Section B: Environmental Changes Facing the Packaging Industries

4. To what extent do you agree or disagree with the following with regards to the changes being faced by your organization

	Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	Strongly agree 5
Packaging materials effect on the health of individuals in the community					
Packaging materials effect on the natural environment					
Attitudes of consumers toward packaging materials					
Rules and regulations on disposal of packaging materials					
Regulations governing type of packaging materials to be produced					
Calls to participate in environmental conservation					

5. To what extent has changes technology affected the methods of production?

Not at all [] To a great extent []

To a little extent [] To a very great extent []

To a moderate extent []

6. Have there been changes in information technology at your firm in the last 5 years?

Yes [] No []

7. Have the following activities to do with information technology has been adopted in your firm?

E adoption	Yes	No
Messaging		
On line marketing		
On line ordering		
On line payment		
Order progress/ on line sales support		
E business		
Not adopted any		

8. What have been the effects, impact/ challenges of information technology in the firm?

9. To what extent have these changes affected strategy by packaging firms?

- Not at all To a great extent
- To a little extent To a very great extent
- To a moderate extent

10. Has your organization been able to adapt to these environmental changes?

- Yes No

11. Which effects have the change in government policies in the past 5 years had on your firm's activities?

12. Has the increase in awareness of employees and the empowerment of workers unions had an effect on the working environment in the firms?

Yes []

No []

If yes, please explain how

13. To what extent do the following challenges affect your firm?

Challenges	Not at all 1	Little extent 2	Moderate extent 3	Great extent 4	Very great extent 5
Sustainability					
Cost					
Innovation					
Availability of materials					

Please state other challenges affecting your firm

Section C: Responses Adopted by Packaging Industries

14. To what extent do you agree or disagree with the following strategic responses that apply to your organization?

Strategic responses	Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	Strongly agree 5
Production of alternative packaging materials that have less effect on the health of individuals in the community					
Creating awareness on the responsible disposal of packaging materials					
Cultivating a culture of conservation in the community					
Compliance to the rules and regulations on disposal of packaging materials					
Joining a lobby group to campaign for relaxation of regulations governing production of packaging materials					
Diversifying into other products that are not affecting the environment					
Considering moving away from packaging industry					

15. Please state any other responses that your firm has made as a result of the environmental challenges facing your packaging firm

21. Given the strategic responses adopted by your organization, what are the future prospects of the packaging industry?

- | | | | |
|-----------|-----|-----------|-----|
| Very poor | [] | Good | [] |
| Poor | [] | Very good | [] |
| Moderate | [] | | |

22. What elements do you think will enhance sustainability of the strategic responses adopted by packaging firms?

- Innovativeness []
- Strategic planning []
- Diversification []

Others (please specify):

23. Please indicate the challenges that your firm is facing as a result of developing and/or implementing the strategic responses.

Appendix II: List of Packaging Firms

1. Colour packaging Ltd
2. Print Pack Ltd
3. General Printers Ltd
4. Text Plast
5. Orbit Chemicals
6. Platinum
7. Auto Litho
8. Bizone Ltd
9. Kenya Litho
10. East Africa Packaging Industries
11. Dodhia Packaging Limited
12. Carton Manufacturers
13. Start Pack Ltd
14. Government Printers
15. Polythene Industries Ltd
16. Manipal press Ltd
17. Colourlabels Ltd