CHAPTER ONE

INTRODUCTION

1.1 Background Information

Globalization was the buzzword of the 20th, and the 21^{st} century, there is no evidence that globalization will diminish. Essentially, globalization is a process of interaction and integration among the people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology (Ray and Phill, 2000). These processes have effects on the environment, on culture, on political systems, on economic development and prosperity, and on human physical well-being in societies around the world.

According to (Costello and Smith, 2000) globalization has been brought by two factors and these are changes in technology, such as the widespread availability of the personal computer (PC) linked to the internet/world wide web, the increasing use of mobile communications and the development of robotics both for tracking components and finished goods and in the automation of production. These factors have not only affected manufacturing industry; the service sector, for example banking and tourism, have also benefited from these changes.

The second factor is the change in political attitudes and economic policies that have allowed companies and consumers to take advantage of these technological advances. It is apparent that there has been much convergence of global economic thinking, with many more countries moving towards an acceptance of liberal, free market ideas. During the past two decades, many governments have adopted free-market economic systems, vastly increasing their own productive potential and creating myriad new opportunities for international trade and investment (Dollar, 2004). Governments also have negotiated dramatic reductions in barriers to commerce and have established international agreements to promote trade in goods, services and investments. Taking advantage of new opportunities in foreign markets, corporations have built foreign factories and established production and marketing arrangements with foreign partners.

A defining feature of globalization, therefore, is an international industrial and financial business structure. Moving closer home, we see that globalization has taken full effect with the introduction of the open and free market policy that is to take full effect as from the year 2012, (Kenya Sugar Industry strategic plan 2010-2014).This was an agreement that was made by the East African Community. The East African Community, (EAC) is an intergovernmental organization comprising five countries in East Africa: Burundi, Kenya, Rwanda, Tanzania and Uganda. There are signs of a business culture oriented to making profits through economies of scale and not on protectionism. Managers must be conscious that markets, supplies, investors, locations, partners, and competitors can be anywhere in the world. Successful businesses will take advantage of opportunities wherever they are and will be prepared for downfalls.

Successful managers, in this environment, need to understand the similarities and differences across national boundaries, in order to utilize the opportunities and deal with the potential downfalls. Johnson, Scholes, and Whittington, (2008) also state that organizations need to understand the nature of their environment before they audit the individual environmental factors. Such an analysis might be expected to help an organization decide upon the sorts of systems which are required to monitor and respond to environmental change. New technologies and increased globalization of many markets encourage environmental turbulence, such that by understanding all this, managers can come up with strategies that will help them propel through it thus avoiding downfalls and ensuring prosperity.

Johnson *et al* (2008), define 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 challenging environment, to meet the needs of markets and to fulfill stakeholder expectations. The most important for an organization, is for its managers to adopt an international strategy. This is because most products and factor markets extend beyond the boundaries of a single country. Thus, the competition that ultimately determines a firm's performance is not constrained to individual country markets (Digman, 1997).

In developing appropriate international strategies, managers need to take the benefits and drawbacks of globalization into account. Dobbin (2003) points out that, an international strategy must be in the context of events around the globe, as well as those at home. He defines international strategy as the continuous and comprehensive management technique designed to help companies operate and compete effectively across national boundaries. He further gives some of the strategies that organizations should adopt as entry barrier strategies formation of alliances, customer orientation strategies, growth strategies, innovation strategies and customer orientation strategies.

Therefore this research aimed at looking at some of the strategies that companies have put in place so as to ensure that they survive and thrive in this ever changing environment, brought about by globalization, with a focus mainly on the sugar industry.

1.2 Statement of the problem

Today the sugar industry in Kenya faces a serious challenge. The Common Market for Eastern and Central Africa (COMESA) safeguard measures come to an end this year with potentially serious consequences, including the possibility of the entire sector going into receivership and out of business, (Omolo 2005). This is likely to bring about turbulence in the organizational environment, which will lead to an increasing lack of stability and predictability. Johnson et al ((2008) state that organizations have, almost without exception, changed over the last decade. Very many have restructured internally, realigned their business processes to improve customer service, made focused strategic changes to their management control systems, developed their staff, improved their technological positioning to achieve competitive advantage and adjusted their product market portfolio. Most of these changes reflect a conscious response to turbulence in the business environment, mainly brought about by globalization.

It is in this context that the sugar industry will have to change a number of factors within and without the industry, so as to be able to cope up with the changes and challenges that are brought about by this open market which is an indicator of globalization. This involves the formulation of strategies that will ensure their competitiveness and survival. Therefore, this study seeks to establish some of the strategies that sugar companies have put in place so as to ensure their survival and prosperity.

1.3 Objectives of the study

1.3.1 Main Objective

To study the strategies adopted by Kenyan sugar companies in response to globalization.

1.3.2 Other Objectives

1. To examine the changes that has taken place in the organization’s environment.

2. To establish the challenges and opportunities brought about by globalization.

3. To identify the strategies that has been put in place to react to the challenges and take advantage of the opportunities brought by globalization.

1.4 Main Research Question.

What strategies have Kenyan sugar companies put in place to respond to the challenges brought about by globalization?

1.4.1 Secondary Research Questions.

1. What are the environmental changes that have taken place in the organizations environment?

2. What are the challenges and opportunities that have been brought about by globalization?

3. What strategies has the organization adopted to react to globalization?

1.5 Significance of the study

This study will be of great importance not only to the sugar industry, but also to other industries that operate in a turbulent and ever changing environment. The recommendations that are given at the end of this research will also give the company an idea on how to plan for the future. The study will identify other potential research areas for scholars to pursue by providing information on the effect of the selected factors on achievement of results. Subsequently, this study would provide avenue for further research.

1.6 Scope of the Study

The scope of this study was confined to Mumias Sugar Company and its departments. Focus was on the management, as they are the strategic leaders in the company. This study was limited to finding out some of the strategies that the company has put in place so as to survive the open market policy.

1.7 Limitations and Delimitations of the study

This study was limited by time and cost constraints. The top management also tended to delegate filling of questionnaires to their subordinates who did not have the information required. Reluctance of the respondents to give information in fear that they may give out information that would be used by their competitors was another limitation.

To overcome the above limitations, the researcher made sure that he put aside a reasonable amount of money and time that ensured the success of the research. The researcher also explained to the respondents the importance of filling the questionnaire in person. The researcher also assured the respondents that the information collected would be used specifically for research purposes.

1.8 Justification of the study

The research was carried out as the modern business environment is continuously changing due to globalization. The research covered the sugar industry because sugar is one of the most important consumer products, and in the recent years, there have been controversial issues about the shortage and increase in prices of sugar as compared to other consumer products and therefore, the sugar industry in Kenya is more likely to be adversely affected by the open market policy. A case study of Mumias sugar was taken because it is the biggest sugar miller in Kenya that has shown progress by listing at the Nairobi Stock Exchange and producing up to 60% of the sugar distributed within the country. This shows that it is so far the largest sugar producing company in Kenya, and so a case study of it was a good representative of all the sugar companies in Kenya.

1.9 Definition of Terms

Globalization- globalization is a process of interaction and integration among the people, companies, and governments of different nations, a process driven by international trade liberalization and investment and aided by information technology (Ray and Phill, 2000). Put simply, it is a process that refers to the growth of inter-dependencies between national markets and industries on a worldwide scale. This growing interdependence between national economies has resulted in a trend towards global markets, global production and global competition (Levitt, 1983).The definition of (Ray and Phill, 2000) has been adopted for this study.

Organization environment - This is a set of external forces that impose constraints on and provides resources to an individual organization and over which the organization has varying degrees of control (Potter, 1998). An organization's environment is composed of institutions or forces outside the organization that potentially affect the organization's performance. These typically include suppliers, customers, competitors, government regulatory agencies, public pressure (World Bank, 2005). In this study, organizational environment has been used to refer to those factors within or without, that the organization has got control over.

Strategies - This is direction and scope of an organization over the long-term: which achieves advantage for the organization through its configuration of resources within a challenging environment to meet the needs of markets and to fulfill stakeholder expectations, (Johnson et al, 2008). It can also be defined as large scale, future oriented plans for interacting with the competitive environment to achieve company objectives (Pearce and Robinson, 2009). In this study, it has also been used to refer to an organizations action plans.

Strategy adoption - This is a set of decisions and actions that result in the formalization and implementation of plans designed to achieve firm's objectives (Pearce and Robinson, 2009**).** Thompson (1997) also defines it as change that take place overtime to the strategies and objectives of an organization. In simple terms it is the decision to start using some new action plans within the organization. This may be caused by changes in the organization's environment.

Strategic change **-** This are the changes in the action plan of an individual organization. Strategic change results when an organization is responding to environmental factors, (Spector, 2007).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter gives background information about strategies adopted by sugar companies in a dynamic environment and in particular Mumias Sugar Company. The researcher highlights key areas in globalization as well as strategy adoption. The literature review further highlights relevant theories that have been brought up in the past by scholars in the topic under study. In summary, the study brings forth gaps that still remain despite previous researches that have been carried out by various authors. The conceptual framework is presented showing the relationship between the variables that were highlighted in the chapter.

2.2 Globalization.

Globalization can be referred to as a phenomenon, a process, a state or a concept(Ohmae 2002). It has evolved partly due to the trend for increasing international trade across national boundaries and the conduct of business activities in more than one country and because of the changes in the various aspects of the international business environment. Put simply, it is a process that refers to the growth of inter-dependencies between national markets and industries on a worldwide scale. This growing interdependence between national economies has resulted in a trend towards global markets, global production and global competition, (Levitt, 1999). According to Levitt globalization probably started some way back in the nineteenth century. From this perspective, he identified four phases of globalization.

The first phase, which peaked in about 1880, was mainly due to improvements in transportation and automation that enabled reliable long-distance trade. Telegraph and telephone communication in the late 1800s facilitated information transfer, which many firms found to be especially useful in managing their supply chains.

Phase two reached its height in the first decades of the twentieth century, when territories under the control of European colonial powers were seen as sites to establish multinational subsidiaries. This period also saw some overseas expansion by American corporations into profitable European markets. This phase is perceived to have ended with the economic crash in 1929, which caused a global depression and a move to inward-looking polices by many governments (Levitt, 1999).

The third phase was based on the lowering of tariff barriers and the resultant increase in international trade after the end of World War II. As individuals, particularly in the richer economies became wealthier, there was massively increased demand for consumer goods (Levitt, 1999). The fourth (and final) phase of the process has depended largely on two of the changes, and these are, first, changes in technology, such as the widespread availability of the personal computer (PC) linked to the internet/world wide web, the increasing use of mobile communications and the development of robotics both for tracking components and finished goods and in the automation of production. These factors have not only affected the manufacturing industry, but also the service sector, for example banking and tourism, have also benefited from these changes. Distance is no longer an issue the world has shrunk to a manageable size (Levitt, 1999).

The second factor is the change in political attitudes and economic policies that have allowed companies (and consumers) to take advantage of these technological advances. It is apparent that there has been much convergence of global economic thinking, with many more countries moving towards an acceptance of liberal, free market. Levitt (1999) says that technology is the driving force behind the globalization of markets and, thus, a ‘converging commonality’ in countries around the planet. He suggested that communications for example televisions, transport, travel, products, and processes were all leading to an ‘irrevocable homogenization’ of demand. Levitt’s key assumption or hypothesis was that local tastes and preferences will vanish if the product is cheap enough. The implication of this is that: identical products will be sold in all markets and industries will be dominated by global corporations benefiting from huge economies of scale. An alternative view is put forward by writers such Ohmae (2002) who suggest that some products are ‘global’, others are not. According to Ray and Phil (2000) globalization is usually marked by development of infrastructure, technology, people, trade liberalization and increase in cross border trade.

2.2.1 Challenges and opportunities brought about by globalization and trade liberalization

Brecher and Smith, (2000) state that as much as globalization and trade liberalization have got there advantages, they also come with a set of challenges. The challenges posed by trade liberalization and globalization are; Increased economic competition as a result of the dismantling of trade preferences of some of the region's major export commodities and the general lowering of trade barriers, pressure on external sector performance as a result, contributing to increased external borrowing, and higher external debt; Stagnation, decline and/or significant economic adjustment in some industries for example bananas, sugar, manufacturing; reduced real income growth as a result of the inability to compete; Reduced employment, increasing poverty and income inequality against a background of substantial poverty in some countries; Increased pace of economic change forced by the acceleration of technological development.

They further report that while the foregoing list attests to the difficulties arising from trade liberalization and globalization, it is important at the same time to remember that trade liberalization and globalization offers substantial opportunities which regions should prepare themselves to take advantage of. These include: Substantially increased opportunities for trade growth, commodity and market diversification as a result of trade liberalization; expanded opportunities for the exploitation of scale economies; increased opportunities for technological development and productivity enhancements especially through application of ICT technologies (e-government, e-commerce) and the potential for significantly increased growth and poverty reduction.

2.3 Organizational Environment

An organization does not operate in a vacuum but within an industry which is made up of other players. Senior and Fleming (2006) maintain that organizations are influenced by a multitude of factors, both from internal and external environment. The turbulent nature of modern business environments has led to rapid changes that affect businesses. At the top, organization environments are defined as a set of external forces that impose constraints on and provide resources to an individual organization and over which the organization has varying degrees of control (Potter, 1998).

2.3.1 Components of the internal environment

2.3.1.1 Human resources:

The first component of the internal environment is its human resources ,Potter (1998) states that a firm’s real assets are its human resources consisting of board of directors, top management, middle management, supervisors and employees. The board’s vision, commitment, knowledge, experience and political connections – all help in taking the firm to commanding heights. Same is the case with the top management which provides direction and middle management which translates theoretical into action plans. Managers with vision, drive, and enthusiasm always help the firm to steer out of troubles and stay ahead of competition. An organization’s employees are also a key element of its internal environment. When managers and employees embrace the same values and have the same goals everyone wins. When they work at cross purposes, however, or when conflict and hostility pervade the organizations everybody loses. Other organizational resources (Capital, land, equipment, plant, structure, technology, processes) should always be properly aligned with firm’s strengths combined in an appropriate manner to produce results. Factors such as proper location, up to date technology, adequate capacity, efficient distribution network, reliable and cost effective sources of supply, help the firm in realizing its professed goals, Potter (1998)

Organizations are set up for a purpose. Although the purpose may change over time it is essential that stakeholders understand the reasons for the organization‘s existence that is the organization’s mission. According to Pearce and Robinson (2009) an organization’s mission is a statement of its fundamental unique purpose that sets a business apart from other firms of its type and identifies the scope of the business operations in product and market terms. The mission at the corporate level is stated in fairly broad terms but is sufficiently precise to provide direction to the organization. At the business unit level, the mission is narrower in scope and more clearly defined. It is necessary that an organization carefully understands its mission because a clear sense of purpose is essential to set proper goals.

In a similar vein, culture is important to organizations because as individuals act on shared values and other aspects of organizational culture, their behaviors can have a major impact on organizational effectiveness. Organizational cultures, of course develop from a variety of sources. Strong founders may leave a major influence on the culture that develops within an organization. For example Ray Kroc, the founder of McDonald’s espoused; quality service, cleanliness and value still the corporate creed. As rewards systems, policies and procedures are established, they impact culture by further specifying notions of appropriate behavior, (Potter, 1998). According to Varey (2001) culture and communication cannot be separated. He argues that for people to communicate and cooperate they must share some assumptions about the world they are in and some common standards by which to judge our own and each other's actions. The same sentiments are brought forward by Nadal (2003).

2.3.2 Components of the external environment

The external environment normally refers to outside forces that may influence an organization, (Kotler and Keller, 2006). Two factors make up the external environment: task and general environment. The task environment typically consists of external groups that may have an influence on daily operations of an organization. In the general environment, outside forces may influence an organization's ability to do business, (Michael, Ireland and Hoskisson, 2007). Generally, the task environment has dimensions that are directly interactive with how an organization operates. The task environment may include competitors, customers and suppliers. Competitors may drive the organization's market plan for advertisements and product positioning. The competitors may exist in several different categories beyond organizations that offer similar products or services. A competitor in the external environment could be one that offers a substitute product to customers, like purchasing a motorcycle rather than a car. Another could be an unrelated business vying for the same property in a thriving community.

Berry (2006) state that, customers are individuals or entities willing to pay for an organization's products or services. For some organizations, customers may consist of individual consumers. Additionally, customers could be other businesses or institutions. Changes in customers' purchasing habits may have an influence on the organization's external environment. He adds that Suppliers are vital to providing the resources necessary to develop the products or services. Some organizations may choose to work exclusively with one or more suppliers, while others may use several different companies. Working with a variety of suppliers may insulate the organization from potential setbacks if an exclusive supplier goes out of business. The influences of general factors within the external environment are typically vague and might have long-term consequences. Each dimension is indirectly interactive with the operation of an organization, but may still influence business decisions. These dimensions include economic, technological and socio-cultural influences. Political climate and global influences also factor in, (Dobbins, 2003).

According to Dobbins (2003) economic dimension typically refers to the fiscal health of the area where the organization operates. Usually, the factors may involve high unemployment and inflation, which may determine economic growth. For example, with high unemployment, the demand for the organization's products or services may decrease. He further states that the technological dimension generally covers the methods used to develop products or services. The technology used within the organization tools and applications typically comes from the external environment. Advances in technology may improve the organization's competitiveness. There is also the socio-cultural factor when an organization considers socio-cultural influences; it may look at the cultural norms and behaviors of people.

Other characteristics may also include demographics and customs. Socio-cultural influences might help to determine which types of products or services appeal to society. Changes in the political climate may relate to business regulations that could either stifle or facilitate growth. The relationship an organization has with the government could influence business operations. A pro-business environment and political stability could determine the viability of business markets (Armstrong, 2006). Johnson et al (2008) state that with environmental scanning and monitoring of the dynamic surrounding environment, managers will be able to forecast and plan for scenarios to be able to effectively respond to unpredictable changes that always emerge in business environments.

2.4 Strategies and their importance

Successful managers, in this turbulent environment, need to understand the similarities and differences across national boundaries, in order to utilize the opportunities and deal with the potential downfalls. Johnson et al (2008) also state that organizations need to understand the nature of their environment before they audit the individual environmental factors. Such an analysis might be expected to help an organization decide upon the sorts of systems which are required to monitor and respond to environmental change. New technologies and increased globalization of many markets encourage environmental turbulence, such that by understanding all this, managers can come up with strategies that will help them propel through it thus avoiding downfalls and ensuring prosperity. Johnson et al (2008) define 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 challenging environment, to meet the needs of markets and to fulfill stakeholder expectations.

The most important for an organization, is for its managers to adopt an international strategy. This is because most products and factor markets extend beyond the boundaries of a single country. Thus, the competition that ultimately determines a firm's performance is not constrained to individual country markets (Digman, 1997). In developing appropriate international strategies, managers need to take the benefits and drawbacks of globalization into account. Dobbin (2003) says that, an international strategy must be in the context of events around the globe, as well as those at home. He defines international strategy as the continuous and comprehensive management technique designed to help companies operate and compete effectively across national boundaries.

Hill (2005) sheds some light on the role of strategy and he states that for most firms a primary goal is to be highly profitable. Markets are now extremely competitive due to the liberalization of the world trade and the investment environment; a firm must pay attention to both reducing costs of value creation and to differentiate its products offering so that consumers are willing to pay more for the products than it costs to produce it. Thus strategy is concerned with identifying and taking actions that will lower the costs of value creation or will differentiate the firm's products through superior design, quality service, functionality and the like, Hill (2005).

There are three levels of strategies and these are; the corporate level strategy, composed principally of a board of directors and the chief executive and the administrative officers (Pearce and Robinson, 2009). They are responsible for the firm's financial performance and for the achievement of the non financial goals, such as enhancing the firm's image and fulfilling its social responsibilities. Second we have the business level strategy, composed principally of business and corporate managers. These managers must translate the statements of direction and intend generated at the corporate level into concrete objectives and strategies for individual business divisions, (Pearce and Robinson, 2009).

In essence, business level strategy managers determine how the firm will compete in the selected product markets arena. They strive to secure the most promising market segments within the arena. Lastly there is the functional level, composed of managers of products, geographic and functional areas. They develop annual objectives and short term strategies in such areas as production, operations, research and development, finance and accounting, marketing and human relations, (Pearce and Robinson, 2009).

2.4.1 Strategic change

The turbulent nature of modern business environments have led to rapid changes that affect businesses. According to Johnson et al (2008) the environment gives organizations their means of survival. Johnson et al (2008) further state “however the environment is also the source of threats: for example, hostile shifts in market demand, new regulatory requirements, revolutionary technologies or the entry of new competitors” (p. 54). Environmental changes can be fatal if the organization does not readily respond. With environmental scanning and monitoring of the dynamic surrounding environment, managers will be able to forecast and plan for scenarios to be able to effectively respond to unpredictable changes that always emerge in business environments. Strategic change results when an organization is responding to environmental factors. These environmental factors shape the way the firm is to design its operations. Environmental factors usually circulate within the industry and the remote environment of the business.

According to Spector (2007) the interactions of these forces at different degrees shape the firm’s environment meaning the firm is subject to change whenever these forces change. Porter (1998) describes how industries have different structures and how these structural differences are modeled by different operations and factors present in each industry. With the knowledge on these forces through environmental scanning and monitoring, firms should be able to create strategies they can use effectively to achieve success through establishment of a desired market position and the ability to be flexible in a changing environment.

2.4.2 Forces Driving Strategic Change in Organizations

Grant (2010) provides that the more turbulent an industry’s environment, the greater the number of forces of change and the greater the differences in firm resources and capabilities, the greater the dispersion of profitability within the industry. Harigopal (2006) states, “change has its source in the past and can be forecast into the future. In terms of trends changes were fairly predictable in the past as they occurred at a slower pace” (p.20). From an organizational context change is getting from a current state to a new one. When the firm strategically makes choices to respond to the changing environment the element of strategic change always comes in. This change focuses on making the organization achieve its goals strategically leading to competitive advantage. The strategic change process is not as easy as perceived. Even with more than adequate resources the process can fail.

With lack of proper planning and analysis of the factors underlying a particular change the organization can be left in a state worse than it was before. The extent to which external change creates competitive advantage and disadvantage depends on the magnitude of the change and the extent of firm's strategic differences. According to Porter (1998), forces that drive organization are within the industry which is an operating environment of the business. Changes in buyer composition trigger some response in firms as a new composition of the market is created. Product innovation in either a related industry or the actual industry may bring in change due to change in products and new set of substitutes to that new innovation. As technological changes develop and advance firms have to ensure they catch up with these new systems. When new markets are created due to globalization firms are faced by the challenges of market innovation and they have to find ways of getting substantial share of those markets. The entry or exits of major firms who are competitors determine the market position of firm because major entrants bring intense competition by demanding a share of the firm's market or creates opportunities. Changing societal concerns, attitudes, and lifestyles create new social composition and define societal needs.

The society consists of stakeholders of a firm and when their needs change the firm has to reconcile itself with these changes. Increasing globalization of the industry also brings in new stakes for firms because they have to operate on a global scope. Lastly regulatory influences and government policy changes bring in new standards that firms have to meet which results to change. Forces of change can be external and internal, individual and organizational. External and internal forces are drivers of change and they include: government rules and regulations, technology innovation, supplier pressure, stakeholder demand, competitor moves and customer needs. Drivers from within the organization are: need for growth, political coalitions, manager aspirations and Union (Senior & Fleming, 2006, p.286). Ginsberg and Abrahamson (1991) group these forces into those preventing a new perspective being formed and the last two (individual and organizational) as preventing implementation of a change once the intentions of change are known (Senior &Fleming, 2006, p. 286). Those that impede change are individual resistance, lack of skill, fear of loss of powerbase, rigid group norms, and lack of resources.

2.4.3 Strategic adoption

An adoption is defined as a counteractive, specific and detectable initiative, caused by the initial action, carried out by a company to defend or improve its market share (Chen and MacMillan, 1992; porter, 1980). Pearce and Robinson, (2009**)** define strategic adoption, as the set of decisions and actions that result in the formalization and implementation of plans designed to achieve a firms objectives. It is thus a reaction to what is happening in the environment of organizations. Operational responses issues are concerned with setting broad policies and plans for using the resources of a firm to the best support its long-term competitive strategy. Thus operational responses can be viewed as part of a planning process that coordinates with those of the larger organization Porter (2005).

2.5 History of Mumias sugar-A firm competing strategically in a Dynamic Environment

Mumias Sugar Company has come a long way to become one of the most respected companies not just in Kenya, but in East and Central Africa. In the sixties, the Kenya Government tasked a British firm, Booker Agriculture International (BAI), with carrying out feasibility studies in Western Kenya with a view to producing sugar. The move was designed to fulfill the new Government’s policy of Import Substitution and also to improve the socio-economic life of the communities living in the region. This gave birth to Mumias Sugar Company (MSC), located in the current Mumias District of Western Province, Kenya. MSC commenced sugar production in 1973. Initially, the factory’s milling capacity was designed to handle only 175 tons of cane per hour (TCH). The Company’s Nucleus Estate - with a total size of 3,908 hectares – provided the bulk of the sugar cane to the factory, supplemented by a few out-grower farmers contracted to grow cane on behalf of the company. In 1978 with the installation of another mill in tandem, the factory capacity was expanded by 175 TCH. This raised the factory’s cane crushing capacity to 350 TCH and 92,500Mt of sugar per annum.

A feasibility study was conducted, and between 1995 and 1997 a modern cane extraction plant was installed. The diffuser was built and began operation. The installed capacity of this new plant is 350 TCH - the equivalent of 109,630.76 million tonnes per annum. The diffuser increased sugar production in Mumias from 219,731 tons to 302,002.49 tons a year in 2006, making Mumias Sugar one of the largest sugar producing companies in the region. Mumias Sugar accounts for 60 percent of all sugar produced in the country. In the earlier years, MSC relied on Government for protection via strict import controls and regulation. With the advent of Free Trade Protocols and market liberalization in the 1990s, MSC was literally brought to its knees due to influx of cheaper imports. The company achieved ISO 9001:2000 certification in 2006 to fulfill its vision of being a world class producer of sugar and energy. www.mumias-sugar.com15/6/2012.5:02pm

2.6 Empirical Studies

In the global environment, competitive advantage is difficult to achieve and maintain because the modern environment is highly turbulent with different forces in action. Some industries prove more profitable than others on a global scope and as Porter (1998) found out ,the competitiveness of a firm is fully determined by the surrounding environment of the industry which consists of the five forces. According to Kleiner and Passemard (2000), “all competitors in a global industry compete with increasingly coordinated strategies: the firms must integrate their activities on a worldwide basis to capture the linkage between countries” (p.113).According to Yip (2003), strategies formulated must be flexible because they are subject to change from the changing drivers of international strategies which include the government, competition and marketing (Johnson et al, 2008, p.297).

Mayer (2006) concludes that globalizing markets and regulatory change are amongst the reasons for an organization’s increasing international diversity. The subsequent globalization of Deutsche Post’s activities was largely driven by the growing demands of a growing number of business customers for a single provider of integrated national and international shipping and logistic services. Over the next five years Deutsche Post responded by acquiring key players in the international transport and logistics market, notably Danzas and DHL with the aim of “becoming the leading global provider of express and logistic services” where it was renamed Deutsche Post World Net- DPWN (Johnson et al 2008). For global competitiveness there are a number of strategies that a firm can put in place. Strategic alliances help the firm move ahead as the host firm understands the foreign market better. Licensing, trade and export can also be implemented. Grant (2010) found out that a business should engage in a wholly owned business or foreign direct investment when it has thoroughly scanned the new environment and understood the new market to reduce the underlying risk. Firms aiming at going global should start with country specific performance then start adjusting strategies, resources and capabilities to fit into a global setup.

Stanleigh (2008) states “a strategic change vision should go beyond the normal five-year forward looking plan generated at most firms annually and be easily communicated and clear” (p.36). This builds a culture of continuous change that is generated from inspirational communication from the leadership team to persuade others and support the new direction. Lambert (2009) points out that towards the end of a change process, review, learning and improvement of change capability is necessary and. there should be ongoing assessment of the effectiveness of the change capability. This assessment will reflect how much the strategies used are effective and how well they respond to the changing surrounding.

Change process is highly complex due to the disruptions of various business systems. For change to occur the external environment highly plays a major influencing factor. According to Diefenbach (2007), the environment is portrayed as hostile, dangerous and frightening survival and future existence of groups. Driving forces of change are mergers and acquisition, innovation, technology, sense of urgency and decline in projections.

2.7 Conceptual framework

Independent variable Dependent variable

Dimensions of globalization

-Changes in the environment

(Development of infrastructure, trade liberalization, business efforts to lower costs)

-Challenges of globalization

(Increased competition, pressure on performance, reduction in customers, shifting of employees)

-Opportunities brought about by globalization

(Growth of trade, increased innovation, Technological development, increased employment opportunities)

Strategies

- Growth Strategies
- Innovation Strategies
- Differentiation Strategies
- Focus Strategies

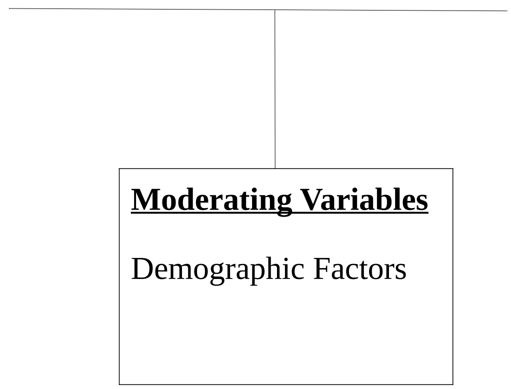

Figure 2.1: Conceptual Framework

Figure 2.1 shows the relationship that exists between the independent and the dependent variables. The independent variables being changes in an organization’s environment for example development of infrastructure, trade liberalization and business efforts to reduce costs. Challenges brought about by globalization for example increased competition, pressure on performance, reduction of customers and shifting of employees. Finally the opportunities brought about by globalization for example growth of trade, increased innovation, technological development and increased employment opportunities. The dependent variable being the strategies that the organization has put in place so as to cope up with issues brought about by globalization, examples of this strategies are, growth strategies, innovation strategies, differentiation strategies, focus strategies and cost strategies. The moderating variables in this study were the demographic factors for example age, gender and population distribution

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research design, target population, sample design, data collection procedures and methods to be utilized for analyzing the data in this study.

3.2 Research Design

The research design was a case study; it pertains to the fact that a limited number of units (often only one) are studied intensively. A case study is an in-depth study of a particular situation rather than a general statistical survey Mugenda and Mugenda (2003). It is used to narrow down a very broad field of research into one easily researchable topic. The individuals studied should also be a high representative of a particular population.

3.3 Target Population

The target population for the study was all departments within Mumias Sugar Company Limited (MSC). MSC has six departments namely: Finance, Agriculture, Human Resource, Information Technology, Sales and Marketing, and Factory Operations, with 6 heads of departments,26 line managers and 51 supervisors. The total population was also a representative of the sample size chosen.

Table 3.1 Distribution of target population

Category	Distribution	Percentage
Departmental heads	**6**	**7.3%**
Line managers	**26**	**31.3%**
Supervisors	**51**	**61.4%**
Total	**83**	**100%**

Source: HR Offices- Mumias Sugar Company Ltd (2012)

3.4 Data collection and instruments

The researcher used a pre-designed and pre-tested questionnaire to collect data. The questionnaires comprised items of the closed ended and the lickert type developed to measure attitude/opinion of members on performance outcomes of the strategic plan. Each factor and variable was tested on a five point scale from strongly agree on one end, to strongly disagree on the other end. The researcher collected data from the selected respondents, using the drop and pick system, after obtaining permission from Mumias Sugar Company authorities. After data collection, “data cleaning” was done to ensure that questionnaires were accurately completed.

3.5 Validity and reliability of research instrument

According to Mugenda and Mugenda, (2003) reliability refers to the degree to which the research instrument can yield consistent results and data from repeated trials. Validity on the other hand is the degree to which results from the analysis of the data actually represent the phenomenon under study. It has to do with how accurately the data obtained in the study represents the variable at the study. The questionnaire was piloted before it was used. Some questionnaires were distributed to other employees of Mumias Sugar Company and analyzed to check for consistency or response that would elicit for modification of the questionnaire. The main aim of this was to remove errors and improve the questionnaire.

3.6 Data Analysis

The data collected was organized, coded and encoded into Statistical Package for Social Sciences (SPSS). Frequencies, percentages and modes were used to facilitate easy understanding. Data was presented using graphs, tables and pie charts. Thereafter, a correlation analysis was done to determine the relationship between the independent variable in this case globalization to another dependent variable, in this case the strategies that are put in place.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter details data analyzed and its presentation as obtained from the research. Data was collected analyzed, compiled and presented with reference to the specific objectives of the study.

4.2 Response Rate

The target population was made up of 83 respondents. With 83 questionnaires issued, 60 were returned with 50 complete for analysis. Table 4.1 shows the frequency of response of the questionnaires.

Table 4. 1. Response Rate

State of questionnaire	Number of questionnaires	Percentages
Completed and returned	50	60%
Incomplete	10	12%
Not returned	23	28%
Total	83	100%

Source: Researcher (2012)

4.3 Respondent General Information

The data analysis was based on the complete 50 questionnaires. The respondent general information included the different levels of employees, the number of years they have worked for the organization and their gender.

Figure 4.1 Gender of the respondents

Participants were categorized by gender to indicate their representation in the organization. Out of the 50 respondents 32 were male which represented 64% of the respondents while 18 were female which represented 36% of the respondents. This shows that there is gender inequality in the organization. Figure 1 gives a summary of this information.

Table 4.2: Position held in the organization.

		Frequency	Percent	Valid Percent
Valid	Head of Department	6	12.0	12.0
	Line Manager	20	40.0	40.0
	Supervisor	24	48.0	48.0
	Total	50	100.0	100.0

Table 4.2 shows the 3 levels of management which included the heads of departments, line managers and supervisors and their responses. This was mainly because, this are the main levels of management that are involved in strategy formulation in any given organization. Out of the 50 respondents, 6 were heads of department, 20 were line managers and 22 were from the supervisory position. The distribution of employees in the three levels of management occurs ordinarily in most organizations where the top level management are usually fewer than the middle level management and other employees.

Figure 4.2: Departments

Source: Researcher (2012)

Out of the 50 respondents23 came from the Agricultural department which represented 46% of the respondents,12 came from factory operations which represented 24% of the respondents,9 came from Finance department which represented 18% of the respondents,3 came from HR department which represented 6% of the respondents,2 came from ICT department which represented 4% of the respondents finally 1 came from the sales and distribution department which represented 2% of the respondents.

Figure 4.3: Work experience in the organization

Source: Researcher (2012)

Figure 4.3 shows the length of service of respondents in years which were categorized into 4 categories i.e. below 5 years, between 6-10 years, between 11-15 years and finally those who have worked in the organization for more than 15 years. Out of the 50 respondents 28% had been in the organization for 0-5 years, 24% for 6-10 years, 10% for 11-15years and 38% for more than 15 years. It may be concluded that majority of the employees have worked in the organization for over 15 years. This means that most of the employees in the organization have seen its transition from one strategy to adoption of another overtime depending on the changes in the environment.

4.4 Changes in the organizational environment:

Table 4.4 Development of infrastructure

Development of infrastructure	Mode
Improved structures	5
Improved processes	5
Improved services	5
Online advertisement	5

Source: Researcher (2012)

Table 4.4 provides the results for participant's responses to the development of infrastructure within the organization. From the table it is clear that all the variables had a mode of 5.This means that most respondents in the organization agreed strongly with the fact that there has been development of infrastructure within the organization. Since they had seen some improved structures both internally and externally, improved processes within the organization, improved services and online advertisement. Ray and Phil (2000) point out that development of infrastructure is one of the indicators of globalization; this may include improved structures, improved processes and improved services.

Table 4.5 Trade Liberalization

Trade Liberalization	Mode
Free movement of goods	4
Free movement of services	5

Reduced trade barrier	4
Increased competition	5

Source: Researcher (2012)

The study also sought to find out the fact that liberalization had indeed taken effect, which is also a good indicator of globalization the results are shown on table 4.6. Respondents strongly agreed that there were signs of free movement of goods and there was increased competition. They also agreed to the fact that there were indeed signs of free movement of goods and that trade barriers between nations had reduced. According to Ray and Phil (2000) globalization is usually marked by development of infrastructure, technology, people, trade liberalization and increase in cross border trade. The above questions helped the researcher to know some of the environmental changes that had taken place in the organization.

Table 4.6 Business efforts to reduce costs.

Business efforts to reduce cost	Mode
Product outsourcing	2
Service outsourcing	3
Online advertisement	5
Use of technology	5

Source: Researcher (2012)

The study sought to find out if there were any business efforts to reduce costs, Table 4.7 summarizes the findings. Most respondents strongly agreed to the fact that the organization had adopted online advertisement and use of technology in carrying out most of their activities. This is represented by the modes5, 5 respectively. Most employees were not sure whether the organization had adopted service outsourcing and some other substantial amount of respondents disagreed to the fact that the organization was practicing product outsourcing. Ray and Phil (2000), bring out the fact that business efforts to reduce costs is also one of the changes that are observed in an organization, once globalization sets in.

4.7 Challenges and opportunities brought about by globalization

After getting to know if the respondents were aware of what globalization was, the study went ahead to find out the challenges and opportunities that they expected from globalization. globalization comes with a set of challenges. (Brecher and Smith 2000) state that the challenges posed by globalization are; Increased economic competition as a result of the dismantling of trade preferences of some of the region's major export commodities and the general lowering of trade barriers, pressure on external sector performance as a result, contributing to increased external borrowing, and higher external debt; Stagnation, decline and/or significant economic adjustment.

Table 4.7 Challenges

Challenges	Mode
Increased competition	5
Pressure on performance	4
Reduced/Stagnation of profits	4
Reduction in customers	4
Shifting of employees	5
Reduced wages	3
Increased layoffs	4
Reduce labor rights	2

Source: Researcher (2012)

Table 4.7 shows results on some of the responses on the challenges that globalization is likely to bring to individuals in the organization and to the organization itself. Most respondents seemed to strongly agree that globalization would increase competition and lead to shifting of employees. Most employees also agreed that globalization would lead to pressure on performance, reduced or stagnation of profits, reduction in customers and increased layoffs. However most respondents did not know whether globalization would lead to reduced wages.

When asked whether it will lead to reduced labor rights, most people strongly disagreed with this fact.

Opportunities

Globalization offers substantial opportunities which regions should prepare themselves to take advantage of. These include: Substantially increased opportunities for trade growth, commodity and market diversification as a result of trade liberalization; expanded opportunities for the exploitation of scale economies; increased opportunities for technological development and productivity enhancements especially through application of ICT technologies (e-government, e-commerce etc.) and the potential for significantly increased growth and poverty reduction (Akan and Obasi 2006).

Table 4.8 Opportunities

Opportunities	Mode
Growth in trade	5
Increased innovations	5
Increased production of commodities	4
Increased market diversification	5
Productivity enhancement	5
Technological development	5
Increased employment opportunities	5
Increase in wages	5
Increased motivation	5

Source: Researcher (2012)

Table 4.8 shows the results on some of the opportunities that the respondents expect out of globalization. Most respondents agreed to the fact that globalization leads to growth of trade since more goods get to move in and out of the country. It also leads to increased innovation due to the improvement of technology. They strongly agreed that globalization leads to productivity enhancement, technological development, increased employment opportunities, increase in wages and increased motivation. Majority of the respondents also agreed that globalization leads to increased production of commodities.

4.6 Strategies adopted by sugar companies

Since globalization is likely to bring both challenges and opportunities, managers are expected to formulate strategies to remain competitive. Johnsons *et al* (2008) state that new technologies and increased globalization of many markets encourage environmental turbulence, such that by understanding this, managers can come up with strategies that will help them propel through it thus avoiding downfalls and ensuring prosperity. The study sought to find out some of the strategies that the organization had put in place so as to react to the challenges and also take advantage of the opportunities that arise.

Growth Strategies	Mode
Diversification	5
Mergers	3
Alliances	5
Acquisition	1

Table 4.9 Growth Strategies

Source: Researcher (2012)

When asked on some of the growth strategies that the organization had employed, the respondents strongly agreed that the organization was already practicing diversification and that it has formed some alliances. They however were not sure if it had formed some mergers. Most respondents strongly disagreed to the fact that the organization had adopted acquisition as part of their strategy. This means that the most used growth strategies were diversification and formation of alliances. This is clearly shown on table 4.9.Johnsons *et al* (2008) shed some light on some of the strategies that organizations should adopt in a global set up, one of this strategies is growth strategies which includes mergers, acquisitions, alliances and diversification.

Table 4.10 Innovation Strategies

Innovation Strategies	Mode
Product innovation	5
Process innovation	5
Ready to go technology	5
Ready to go products	5

Source: Researcher (2012)

Table 4.10 shows the response rate on the innovation strategies employed in the organization. The respondents strongly agreed that there was product and service innovation. The organization had also adopted ready to go technology and produced ready to go products. Johnsons *et al* (2008) state that one of the most important strategies that organizations should adopt is innovation strategies. They further point out that organizations should encourage their human resource to be innovative enough.

Table 4.11 Differentiation Strategies

Differentiation Strategies	Mode
Product differentiation	5
Service differentiation	5
Market differentiation	5
Price differentiation	5

Source: Researcher (2012)

Differentiation is one of the competitive strategies that most organization faced with globalization adopt. The respondents strongly agreed that the organization had adopted product, service, and market and price differentiation. According to Potter (2008),an organization that adopts a differentiation strategy, will always remain competitive even when faced with the most extreme circumstances.

Table 4.12 Focus Strategies

Focus Strategies	Mode
Market segmentation	5
Limited range of products	5

Source: Researcher (2012)

Table 4.12 shows the response on some of the focus strategies that the organization has adopted and from the table it is clear that the organization has adopted market segmentation and limited range of products as their focus strategies so as to make sure they remain competitive. The same sentiments have been brought forward by Potter (2008), who maintain that it is prudent for an organization to adopt a focus strategy, where it can focus on one market segmentation or on one product range.

Table 4.13 Cost Strategies

Cost Strategies	Mode
Product outsourcing	2
Service outsourcing	4
Use of technology	4

Source: Researcher (2012)

Some of the cost strategies employed by the organization are service outsourcing and use of technology. However the organization does not employ product outsourcing. This is clearly shown in table 4.13.Where most respondents agreed to the fact that the organization had employed service outsourcing and product outsourcing and disagreed to the fact that it had employed product outsourcing. Poter (2008), points out that an organization can also employ a cost strategy so as to ensure its competitiveness.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Introduction

The summary, conclusion and recommendation to the study were made based on the data findings in relation to every objective that is to examine the changes that have taken place in the organization's environment. To establish the challenges and opportunities that are brought about by globalization. To identify the strategies that have been put in place to react to the challenges and take advantage of the opportunities brought about by globalization and to determine other factors that contribute to the organization's competitiveness.

5.2 Summary

The research questions the study aimed at answering were, what are the environmental changes that have taken place in the organizations environment? What are the challenges and opportunities that have been brought about by globalization? What are the strategies that the organization has adopted to react to globalization? And finally what other factors lead to the organizations competitiveness?

5.2.1 Changes in the organizations environment

The study sought to find out if indeed there were any changes in the organization's environment. This was done by asking the respondents questions on some of the indicators of globalization which were, growth of infrastructure, trade liberalization and business efforts to reduce on costs. From the findings it is clear that indeed globalization had set in with most respondents strongly agreeing with the fact that they had seen changes in the infrastructure, trade liberalization and business efforts to reduce costs. The study had achieved this objective since these findings are in line with Ray and Phil (2000) who reported that globalization is usually marked by development of infrastructure, technology, people, trade liberalization and increase in cross border trade.

5.1.2 Challenges and opportunities brought about by globalization

The most challenges that the organization is likely to face are increased competition and shifting of employees. Followed by reduced or stagnation of profits and also shifting of customers. The employees in the organizations are also likely to suffer from increased layoffs due to the adoption of new technology and also due to the fact that the organization will be trying to cut on costs e.g. paying of wages. Employees are also likely to suffer from pressure on performance since the organization will be striving to remain competitive. This findings concur with what Brecher and Smith, (2000) stated i.e. The challenges posed by globalization are; Increased economic competition as a result of the dismantling of trade preferences of some of the region's major export commodities and the general lowering of trade barriers, pressure on external sector performance as a result, contributing to increased external borrowing, and higher external debt; Stagnation, decline and/or significant economic adjustment.

The study also found out that there are a number of opportunities that globalization is likely to bring forth and this were, growth in trade, increased innovation mostly brought about by competition. Increased market diversification, productivity enhancement and technological development. Employees are also likely to benefit from increased employment opportunities, increase in wages and increased motivation. The same sentiments were brought forth by authors Akan and Obasi (2006) who stated that Globalization offers substantial opportunities which regions should prepare themselves to take advantage of. These include: Substantially increased opportunities for trade growth, commodity and market diversification as a result of trade liberalization; expanded opportunities for the exploitation of scale economies; increased opportunities for technological development and productivity enhancements especially through application of ICT technologies (e-government, e-commerce) and the potential for significantly increased growth and poverty reduction.

5.1.3 Strategies put in place

The study also sought to find out some of the strategies that the organization had put in place so as to ensure its competitiveness even with the setting in of globalization. The findings indicated that the organization has adopted growth strategies like diversification and alliances. It has diversified into ethanol production, Electricity production and they had even set up a water production plant. It has formed strategic alliances with corporate organizations like East African Breweries Limited to supply them with ethanol and also with the Coca cola East Africa to supply them with sugar for beverage production. There were also alliances with Kenya power to supply them with electricity.

The organization has also involved itself in innovation strategies whereby they produce ready to go products using highly competitive technology. They have adopted a production machine called the diffuser which limits on the wastage from the raw material, and it is easy to use. Apart from that, the organization has embrace differentiation strategies where it produces fortified sugar with vitamin C apart from the normal sugar produced. Focus strategy has also been employed in the organization where the organization has segmented its market through the use of differentiation methods so as to meet the needs of each individual. Finally the organization has adopted cost strategies such as service outsourcing and use of technology so as to reduce on the costs. These findings are in line with what Dobbin (2003) had to say that, an international strategy must be in the context of events around the globe, as well as those at home. He defines international strategy as the continuous and comprehensive management technique designed to help companies operate and compete effectively across national boundaries. He goes further by giving some of the strategies that organizations should adopt and these are entry barrier strategies, formation of alliances, customer orientation strategies, growth strategies, innovation strategies and customer orientation strategies. The researcher had achieved this objective.

5.3 Conclusion

Factors like development of infrastructure, trade liberalization, increased cross border trade, production outsourcing and service outsourcing have been observed in the organization and these factors are indeed indicators of globalization. From the research it is evident that the organization has indeed put in place strategies like innovation strategies, growth strategies, differentiation strategies, focus strategies and cost strategies so as to tackle the challenges that are brought about by globalization and also take advantage of some of the opportunities brought about by globalization thus ensuring its competitiveness and survival. Having all the study’s specific objectives achieved, the study achieved its main objective. it can therefore be concluded that indeed the sugar industry is prepared for the challenges and opportunities brought about by globalization and it has shown this by putting in place strategies that are effective in ensuring its competitiveness in this environment.

5.4 Recommendations

The significant findings from this study has gaps and limitations hence the following recommendations:

- This study selected respondents in the management level due to their capacity to formulate and make strategic decisions in the firm. Further research ought to incorporate operational level employees and customers in the target influence to establish their role in strategy implementation.
- With this research being a case study in the sugar industry, further studies must be on two or more companies from various industries that are likely to be affected by globalization e.g. the service industry, agriculture industry and production industry.
- Researches building on this study should use other methods of analysis other than correlation so as to give the intervening and moderating variables revolving around the dependent and independent variables as correlation only gives the explanatory variables with regard to the relationship between globalization and strategies adopted.
- Lastly, researchers could use one of the four objectives as a topic of study and expound on it to give an insight of the chosen objective.
- With the four recommendations above, the major gaps in this study will be eliminated or reduced and major issues on strategies adopted by companies during globalization will be attended to.

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APPENDIX I

Cover Letter

I am a student from Kabarak University undertaking a research in partial fulfillment of the Requirements for the degree of Masters in Business Administration - Strategic Management Option. The subject of study is **"Strategies adopted by sugar companies when faced with globalization: A case study of Mumias Sugar**"

You have been picked as one of the respondents and the information obtained is going to be treated as highly confidential and will not be used in any harmful way against you, other persons or any entity. Any questions, comments or requests can be communicated through the contact below. Your cooperation to this worthy cause will be highly appreciated.

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APPENDIX II

Questionnaire

SECTION 1: Respondent Information

Please fill in appropriate answer/s to the questions below.

1. Gender:

Male

Female

2. Position held in the organization:

Head of Department   Line Manager   Supervisor

3. Department

Agriculture   Factory operations   Finance   HR

ICT   Sales and Distribution   Projects

3. Work experience in the organization

0- 5 years   6-10 years   11-15 years   over 15 years

SECTION B: Changes in the organization environment.

Kindly indicate to what extent you agree or disagree with the statements using the following scale:

5 = **Strongly Agree (SA)**   4 = **Agree (A)**   3 = **Not Sure (NS)**   2 = **Disagree (D)**

1 = **Strongly Disagree (SD)**

5 I have seen the following factors which are indicators of infrastructure development.

DEVELOPMENT OF INFRASTRUCTURE	SA	A	NS	D	SD
Improved structures					
Improved processes					

Improved services

Online advertisement

6 I have seen the following factors which are indicators of trade liberalization.

TRADE LIBERALIZATION	SA	A	NS	D	SD
Free movement of goods					
Free movement of services					
Reduced trade barrier					
Increased competition					

7 I have seen the following factors which are signs of business efforts to reduce costs.

BUSINESS EFFORTS TO REDUCE COST	SA	A	NS	D	SD
Product outsourcing					
Service outsourcing					
Online advertisement					
Use of technology					

SECTION C: Challenges and Opportunities brought about by globalization

8 In my view, the open market policy is likely to pose the following challenges to me as an individual and to the organization.

	SA	**A**	**NS**	**D**	**SD**
	5	**4**	**3**	**2**	**1**
Increased competition					
Pressure on performance					
Reduced/Stagnation of profits					

Reduction in customers

Shifting of employees

Reduced wages

Increased layoffs

Reduce labor rights

9 In my view, the open market policy is likely to pose the following opportunities to me as an individual and to the organization.

	SA	A	NS	D	SD
	5	**4**	**3**	**2**	**1**
Growth in trade					
Increased innovations					
Increased production of commodities					
Increased market diversification					
Productivity enhancement					
Technological development					
Increased employment opportunities					
Increase in wages					
Increased motivation					

SECTION D.Strategies adopted by sugar companies

10 The organization has adopted the following growth strategies.

GROWTH STRATEGIES	SA	A	NS	D	SD
Diversification					
Mergers					
Alliances					
Acquisition					

11 The organization has adopted the following innovation strategies

INNOVATION STRATEGIES	SA	A	NS	D	SD
Product innovation					
Process innovation					
Ready to go technology					
Ready to go products					

12 The organization has adopted the following differentiation strategies

DIFFERENTIATION STRATEGIES	SA	A	NS	D	SD
Product differentiation					
Service differentiation					
Market differentiation					
Price differentiation					

13 The organization has adopted the following focused strategies

FOCUS STRATEGIES	SA	A	NS	D	SD
Market segmentation					
Limited range of products					

14 The organization has adopted the following cost strategies

COST STRATEGIES	SA	A	NS	D	SD
Product outsourcing					

Service outsourcing

Use of technology Online advertisement

Thank you for taking the time to answer this questionnaire. Your effort is highly Appreciated