AN INVESTIGATION OF CRITICAL SUCCESS FACTORS AFFECTING PERFORMANCE OF RANCHES; A SURVEY OF RANCHES IN LAIKIPIA EAST

By

Name: Ruth Rimui
REG NO D53/NY1/PT/23217/2010

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MAY 2013

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DECLARATION

I declare that this project is my original work and it has not been submitted in this or any other form for the award of a degree in this or any other University.

Signature ___________________ Date ____________

Ruth Wambui Rimui
Reg No. D53/NYI/PT/23217/2010

This research project has been submitted for examination with my approval as university Supervisor:

Signature ___________________ Date ____________

Ms. Anne Muchemi
Lecturer: Business Administration Department

This research project has been submitted with my approval as the head of department:

Signature ___________________ Date ____________

Dr. Muathe
Chairman Department of Business Administration
Kenyatta University
DEDICATION

I dedicate this study to my family; husband Patrick, children Maxwell, Patricia, Josephine and Emmanuel as well as my parents Mr. and Mrs. John Rimui.
ACKNOWLEDGEMENT

Throughout this study, there are many people that I would like to acknowledge for continuing support and kind help that they have been offered to me. Foremost, I would like to thank my supervisor Ms. Ann Muchemi for her guidance and support without which this study would not have been a success. I can only feel flattered for the confidence she has shown in me. Fortunately, I have benefited from her extraordinary motivation, great intuition, and technical insight. I just hope my thinking and working attitudes have been shaped according to such outstanding qualities.

I wish to thank my young family for their moral and material support towards the realization of my goal of completing this study in time and for their unconditionally love and support along this journey. My thanks also extend to my colleague Joyce who we have kept together encouraging each other all through each step of this journey. Special thanks to my friends and family who have been a beacon of strength. Thank you for understanding when I needed a break and when I needed solitude.

My special regards go to the managers of ranches in Laikipia East for their cooperation, encouragement and support in the whole process of this study. Above all, I thank the God Almighty for myself and for all who have been around me in this journey for the grace and the wisdom He has bestowed upon us in the successful completion of this study.
ABBREVIATIONS

CEO..........................Chief Executive Officer
CSFs..........................Critical Success Factors
ESOK..........................Ecotourism Society of Kenya
HBR..........................Harvard Business Review
IS............................Information System
KPI..........................Key Performance Indicators
KSF..........................Key Success Factors
LWF..........................Laikipia wildlife Forum
PESTEL..........................Political, Environmental, Social-economical, Technological, Ecological, Legal
PIMS..........................Profit Impact of Market Strategy
PQM..........................Process Quality Management
SMART..........................Specific, Measurable, Achievable, Realistic, Time Bound
SWOT..........................Strengths, Weaknesses, Opportunities, Threats
ABSTRACT

This project sought to establish the CSFs affecting performance of ranches in Laikipia East. Every organization has a mission that describes why it exists (its purpose) and where it intends to go (its direction). Achieving the mission takes the participation and skill of the entire organization. The organization must perform well in key areas on a consistent basis to achieve the mission. These key areas are unique to the organization and the industry in which it competes and can be defined as the organization’s critical success factors. To achieve this objective of the study a survey design was adopted. Managers of ranches in Laikipia East were the target population. The population in the study is 352 managers in Laikipia East ranches. Random sampling with a sample of 30% of the population (86 respondents) was taken. Both primary and secondary data were taken for the purpose of this study. Primary data was collected using questionnaires which were administered through drop and pick later method. Secondary data was gathered through a review of published literature on the subject of study. Data analysis was done using descriptive statistics and presented in tables and figures with narrative explanations. Care was taken to protect the respondents and utmost confidentiality was observed. The researcher also ensured that there were no cases of breach of ethical standards in the research process. The study found that majority of the respondents were male and had degree or diploma qualifications. It was also noted that majority had worked in the hospitality industry for less than ten years. The findings also indicated that among all the CSFs under the study, resources and capabilities is a very important factor to performance of ranches followed closely by the services offered. Site and location affect performance to some extent and the marketing strategies used by the ranches are not very important to performance of ranches. From the findings one could easily come to the conclusion that on the overall qualified and experienced staff stands out as very important factors to successful performance of ranches. On the other hand competitors’ location and demographic development seem to be having less effect to performance. However resources and capabilities as well as the services offered comes up as the most important CSFs that affect performance of ranches. Site and location and even marketing strategy do not come out as affecting performance of ranches strongly but just to some extent.
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CHAPTER ONE
1.0 INTRODUCTION

1.1 Background of the study

All business organizations aim to be successful, though companies within an industry differ a lot as regards their level of success. According to Aaker (1989), the essence of strategic management rests on the ability to develop and maintain meaningful assets and on skills, and the selection of competitive strategies and arenas that would enable the above assets to form sustainable competitive advantages, which in turn should be created in view of critical success factors (CSFs).

Success, in general, relates to the achievement of goals and objectives in whatever sector of human life. In business life, success is a key term in the field of management, although it is not always explicitly stated. In business studies, the concept of success is often used to refer to a firm’s financial performance. However, there is no universally accepted definition of success, and business success has been interpreted in many ways (Rockart and Bullen, 1986). Success can have different forms (survival, profit; return on investment, sales growth, number of employed, happiness, reputation, and so on). In other words, success can be seen to have different meanings by different people.

Most industries have a set of critical success factors that are determined by each industry’s specific features and characteristics. A fit between competitive advantages and critical success factors of a particular industry may form a firm foundation for a firm’s successful performance in that industry. Critical success factors (CSFs) have been used significantly to present or identify a few key factors that organizations should focus on to be successful. As a definition, critical success factors refer to the limited number of areas in which satisfactory results will
ensure successful competitive performance for the individual, department, or organization (Rockart and Bullen, 1986). Daniel Austin and W. W. Grainger, (2000) defines CSF as a key area where satisfactory performance is required for the organization to achieve its goals or a means of identifying the tasks and requirements needed for success.

Identifying CSFs is important as it allows firms to focus their efforts on building their capabilities to meet their objectives and goals, or even allow firms to decide if they have the capability to build the requirements necessary to meet critical success factors. CSFs are tailored to a firm's or manager's particular situation as different situations (industry, division, individual) lead to different critical success factors. Rockart and Bullen presented five key sources of CSFs: the industry, competitive strategy and industry position, environmental factors, temporal factors, and managerial position. CSFs are used by organizations to give focus on a number of factors that help define its success. They help the organization and its personnel to understand the key areas in which to invest their resources and time (Daniel D.R., 1961). All in all CSFs are the necessary conditions for the organizational success.

Critical success factors (CSFs) in the hospitality industry was first applied in Geller's (1985) study in which he designed his hotel information systems. Brotherton and Shaw (1996) described CFSs as a combination of activities and processes designed to facilitate the achievement of objectives and goals specified by a company. Since the hotel industry plays a multi-functional role in accommodating tourists' needs when travelling, the CSFs can help create better service capability and quality.
1.1.1 Ecotourism In Kenya

The ecotourism phenomenon is currently entering a crucial phase of its development in Kenya. In the past five years, ecotourism has attracted significant attention from consumers, conservationists, economic development specialists and others (ESOK 2003-2005). It is defined as environmentally responsible travel and visitation to relatively undisturbed natural areas, in order to enjoy and appreciate nature (and any accompanying cultural features, both past and present) that promotes conservation, has low negative visitor impact, and provides for beneficiary active socio-economic involvement of local populations (Hector Ceballos-Lascurian, 1983).

American academic Martha Honey (2008) in her book argues that 'real ecotourism' must involve seven vital and interrelated characteristics; travel to nature destinations; minimizing negative environmental impact; building environmental awareness; direct financial benefits for conservation; financial benefits and empowerment for local people; the respect of local culture; and the support of human rights and democracy (ESOK 2003-2005). The literary review of existing ecotourism projects in Kenya done by Ecotourism Society of Kenya reveals that Kenya's groundbreaking experiments in community conservation, the pioneering of ecotourism practices in parks, ranches, reserves and farms has increased over the last few years.

1.1.2 Ranches in Laikipia East

2.0 Most ranches in Laikipia East are non-profit making wildlife conservancies supporting endangered species, tourism and community outreach, they practice ecotourism. Wild and sparsely populated, much of Laikipia is covered by large privately owned ranches. On most ranches cattle share the land with free ranging wildlife. In recent years this wildlife has become a valuable asset, with many ranches now establishing guest houses, home stays and
private camps within their boundaries (Tobias Ramser, 2007). This has proven a great success, and many ranches now rely on a thriving tourist trade. Importantly, community ranches have also formed. These are sanctuaries created by local communities, who have combined small scale farms and grazing land into large group ranches.

Tourist trade has proved infinitely more profitable than agriculture or herding, and this allows the community to use their traditional lands in a way that is sustainable and productive. Significantly, they are conserving more than just wildlife, but also a way of life (Tobias Ramser, 2007). These ranches have bolstered a sense of local identity and strengthened community ties. These community ranches are the best place in Kenya to learn more about traditional cultures and their role in modern world. The result is an area of beautiful wilderness, where protected game roams freely and safely. These Conservancies works to conserve wildlife such as chimpanzees, black rhino, white rhinos, elephants, lion, leopard, buffalo, grey zebra, giraffe, cheetah, Thompson’s gazelle, black-back jackals, ostrich, grant’s gazelle, baboons, waterbuck, Oryx, eland and several hundred bird species. They generate income through wildlife tourism and complementary enterprises for re-investment in conservation and community development.

There is fine quality accommodation, safari experience with night drives, bush walks and Bush breakfast. The revenue generating enterprises include world-class wildlife tourism and a fully integrated livestock production system (Toshio Meguro, 1996). All surplus internally generated revenues are used in conjunction with donor funds to support an extensive community outreach programme which includes education, health, water, roads, agriculture & livestock extension, and to sustain conservation initiatives beyond their boundaries. Working closely with the
1.2 Problem Statement

Whether managing a profit making or a non-profit making organization, it is important to focus on those things that help move the organization forward and achieving results. A quality improvement tool that many organizations use is Critical Success Factors (CSFs) which are the indicators that measure how well an organization is accomplishing its strategic plan and objectives. If the organization's accomplishment of the mission is tightly linked to its performance in a few key areas and the technology plan is based on enabling high performance in these same areas, the plan can enable the mission (Brotherton et al., 1996).

Wildlife uses land which belongs to the local community who are largely pastoralists, there will be competition for space and resources between wildlife and the local communities and between wildlife and the communities' livestock. Conservation has to be compatible with this reality and therefore balance pastoralism interests and conservation. Given low levels of education and economic diversification, and given ecological constraints of low rainfall, balancing resource use and resource conservation in the context of livelihoods and culture becomes a delicate act that needs careful planning and elaboration (Tobias Ramser, 2007).

Increasing number of livestock heads, frequent and long droughts, expanding human population and changing land use types no longer allow pastoralism to be sustainable. Poaching and human/wildlife conflicts, as well as illegal trade in wildlife products are real threats, these coupled with environmental degradation and encroachment in protected areas as a result of poverty and other socio-economic inequities pose a problem. Indeed terrorist threats, negative advisories and
unfavorable resolutions reached at international conservation fora have not helped the situation either. These when combined with diminishing conservation areas, high community support expectations, poor road infrastructure and decreased funding from Treasury all affect operations of the conservancies. Global climatic changes, regional and local political instability, escalating food prices have presented unprecedented threats to tourism and by extension to ranchers (KWS Strategic Plan 2008).

Elephant poaching, human/wildlife conflicts, illegal sandalwood harvesting, illegal charcoal burning, cattle rustling, armed hold-ups, monitoring of wildlife numbers and movements are major challenges most ranchers grapples with almost on a daily basis (Tobias Ramser, 2007).

Little study has been done on what makes the Laikipia ranches tick. This study therefore aims to establish the effects of CSFs on performance of ranches in Laikipia East in order to achieve and maintain their position as conservancies, engage in tourism and hospitality industry and at the same time be involved in community development.

1.3 Objective of the study

1.3.1 General Objective

The general objective of this study was to study the critical success factors affecting performance of ranches in Laikipia East.

1.3.2 Specific Objectives

i. Study the effects of site and location as critical success factors on performance of ranches in Laikipia East.

ii. Establish whether service offer as a critical success factor affect the performance of ranches in Laikipia East.
iii. Establish the effect marketing strategy as a critical success factors on performance of ranches in Laikipia East.

iv. Study the effect of resources and capabilities as a critical success factors on performance of ranches in Laikipia East.

1.3.3 Research questions

i. What are the effects of site and location as critical success factors on performance of ranches.

ii. What effects do the marketing as critical success factors have on performance of ranches.

iii. Does competitive product as a critical success factors affect performance of ranches.

iv. What are the effects of human resources as critical success factors on performance of ranches.

1.4 Scope of the study

The study focused on the effects of CSFs on ranches in Laikipia East. Laikipia has many privately owned ranches practicing ecotourism with an element of tourist resorts as well as being involved in community development.

1.5 Significance of the study

This study is significant to a number of stakeholders. One of these is the government who will find ways of ensuring that the ranches are run well as it is a tourist attraction. The neighboring communities will be in a position to know the activities that take place in the ranches so that they can know how to support these efforts as well as know how to benefit from the undertakings of the ranches. Non Government organizations are some of the stakeholders in community
development and this study gives them more ideas on the needs of the communities. Competitors will benefit from this study which they can use to formulate their strategies. Tourists either local or international will be in a position to know the attractions available in these conservancies. Research areas are as diverse as the societal needs and challenges; any milestone towards the fulfillment of one need opens up very diverse areas of study. This research opened other windows of research and will also act as a point of reference for other researchers.

1.6 Limitation of the study

This study did not go without challenges. The research was marred by various unexpected interferences which sometimes ended into premature discontinuation. For example meeting with animals on the road as the researcher was going to the ranches for the research and having to turn back with mission unaccomplished. Some of the ranches are situated in the most remote areas whose terrain was not so good for the motorbike that the researcher could hire and it meant sometimes getting stranded on the way from or to the ranches with a puncture or other mechanical problems.

There was also a lot of protocol to be observed before the researcher was allowed to drop the questionnaires in the ranches. Some respondents failed to give back the questionnaires and were uncooperative in interviews and some even gave biased information as they may felt that the researcher was intruding into their private practices. The researcher had carried an introduction letter from the university and the respondents were made aware that the research was purely academic.
CHAPTER TWO

3.0 LITERATURE REVIEW

3.1 Critical Success Factors

Daniel D. R., (1961) introduced the concept of critical success factors by employing it to identify information that is necessary in performing managerial duties. He also proposed that in most industries success is determined by three to six success factors. Anthony, Dearden, and Vancil (1972) further developed Daniel’s concept by introducing the term critical success factors. The above authors uplifted the above concept to the managerial level and demonstrated that at this level critical success factors vary from one company to another and one manager to another.

Using ideas from Daniel D. R., Rockart J. (1979) proposed the CSF method to help CEOs specify their own needs for information about issues that were critical to the organization so that systems could be developed to meet those needs. CSFs are the limited number of areas in which results, if they are satisfactory, will ensure successful competitive performance for the organization (Rockart, 1979). He further defines these factors as areas where things must go right and as key areas where favorable results are absolutely necessary if management goals are to be reached. He stated that the critical success factors are areas of activity that should receive constant and careful attention from management.

Munro and Wheeler (1980) applied the concept of critical success factors in their research on the managerial needs for information. According to them, the concept of critical success factors may be successfully employed to direct a company’s effort towards the formation of a strategic plan. Furthermore, the concept may be applied not just merely for the selection of appropriate strategies, but also for the identification of major problems that arise in the strategy implementation process. Dickinson, Ferguson, and Sircar (1984) studied critical success factors...
in relationship to the design of management IS. According to them, critical success factors can be defined as events, circumstances, conditions, or activities that, due to their significance, demand special attention. Critical success factors can be internal or external, and may have a positive or negative impact on a company’s success. Their distinctive feature is the need for a special awareness or early warning system to avoid unpleasant surprises or missed opportunities.

CSFs are actually derived from within the organization rather than created. Every organization already has a set of CSFs but may not know them. This is certainly true of industry CSFs that the organization inherits. The CSF method is a way to harvest these factors from a review and analysis of the goals and objectives of key management personnel in the organization. They are also shaped by talking with key management personnel about what is important in their specific domain and discussing the barriers they encounter in achieving their goals and objectives. Information about their status must be made available in a timely fashion at the appropriate levels (Caralli, 2004). Once identified, these factors are then stated as objectives and the information required to monitor their performance is then identified.

According to Leidecker and Bruno (1984), CSF are those characteristics, conditions or variables that, when properly sustained, maintained, or managed, can have a significant impact on the success of a firm competing in particular industry. Pinto and Slevin (1987) defined critical success factors as factors which, if addressed, (would) significantly improve project implementation chances. According to Grunert and Ellegard (1993), the term has been used in basically four different ways: as a (necessary) ingredient in a management information system; as a unique characteristic of a company; as a heuristic tool for managers to sharpen their thinking; and as a description of the major skills and resources required to have a successful
performance in a given market. Grunert et al (1993) have approached the view of KSF and they defined KSF as a skill or resource that a business can invest in, which, on the market the business is operating on, explains a major part of the observable differences in perceived value and/or relative costs. The terms KSF and CSF have been used interchangeably in the literature.

3.2 Sources of CSFs

Rockart et al (1986) distinguished between five sources of CSF: the industry where the organization operates or an understanding of the organization's peers, the competitive strategy and industry position pursued by the organization, the environmental factors surrounding the organization or the general business climate, temporal factors facing the organization or the problems, barriers, or challenges to the organization and, CSF that are specific to each manager, layers of management and their role in the organization. CSFs are customized for companies and individuals due to the peculiarity of the organisation. This peculiarity stems from an organization's strategy, current position, and resources and capabilities. Knowing where competitors are positioned, what their resources and capabilities are, and what strategies they will pursue can have an impact on an organisation's strategy and also resulting CSFs.

3.2.1 The Industry

Industry specific critical success factors are factors critical for the performance of an industry. For example in hospitality industry excellent and customized service, wide presence and an excellent booking and reservation system is critical. Different industries will have unique, industry specific CSF's. An industry's set of characteristics define its own CSF's. Industry KSFs are universal to all organizations working within the same industry and different within organizations working in dissimilar industries (Ketelhohn, 1998). Identification of critical success factors in a particular industry is a valuable practice for a number of reasons. First of all,
it leads to a better understanding of the competitive environment, which in turn may assists in making decisions related to new product development and marketing activities.

According to Ketelhohn (1998), understanding and development of critical success factors enables a firm to make a successful entry into an industry, find a different position among other firms and successfully combine creation of the perceived value and cost reduction. Industry KSFs highlight the differences between profit and loss, and organizational success and failure. They include all those activities or services a firm must provide to satisfy its customers, its competitive capability or a specific talent or skill. In reality each organization has its own unique goals so while there may be some industry standard, not all firms in one industry will have identical CSF’s. An example of industry and company CSFs was presented by Rockart et al (1986) in their research paper and is included here to illustrate their ideas (see figure 2.1).

Figure 2.1 Industry and Company CSFs

US Automotive industry CSFs
- Image
- Quality
- Dealer System
- Cost control
- Meeting energy standards

Chrysler
- Cash
- Image
- Quality
- Dealer System
- Cost control

Ford
- “Word car”
- Image
- Quality
- Dealer System

General motors
- “J” car
- Image
- Quality
- Dealer System

Source: Rockart and Bullen, 1986
The example presented by Rockart and Bullen was meant to illustrate that companies would have different CSFs and would not be completely similar. It can be seen though that many aspects of the CSFs could end up being similar for organizations in an industry.

3.2.2 Competitive Strategy and Industry Position

These are from chosen competitive strategy of the business. They define those CSFs that are specific to the organization’s unique position relative to their peer group in the industry in which they operate or compete. A strategy is a systematic long-term action plan designed to realize a particular goal. According to Aaker (1989), the essence of strategic management rests on the ability to develop and maintain meaningful assets or skills, and the selection of competitive strategies and arenas that would enable the above assets to form sustainable competitive advantages, which in turn should be created in view of critical success factors.

Strategy CSFs are different for different companies, even if they are working in the same industry. These CSFs are typically formulated after incorporating an external and internal analysis of all business factors and marketing research. They will depend on a company’s current resources, industry ranking and organizational values. Examples of strategic CSFs are ways to attract new customers, increasing profit margin and revenue and identifying new business activities (Aaker, 1989).

A firm’s current position in the industry where it is relative to other competitors in the industry and also the market leader, its strategy, and its resources and capabilities will define its CSFs. An organization may be a leader or a laggard in a particular industry. If they are a leader, they may have CSFs that are aimed at ensuring they maintain or increase their market share against other organizations in the industry. On the other hand, if considered a laggard, the organization may
have specific CSFs aimed at closing the gap and improving their competitive position relative to other organizations in their industry (Rockart et al, 1986).

3.2.3 Environmental Factors

Environmental CSFs are identified when an organization undergoes changes due to technological process or external economic conditions. They take into consideration all external factors that lie outside the scope of control of an organization. These include economic crisis, regulatory changes, taxes, political developments and other changes. Environmental KSFs align an organization's goals and success factors with the external environmental and economic conditions. Brotherton, Heinhuis, Medema and Miller (2003) distinguish internal and external critical success factors. The first are determined by the characteristics of a company’s internal environment, (its products, processes, people, and structures). These CSFs reflect a company’s core capabilities and competencies that are critical to its competitive advantages.

The other group, external success factors, is conditioned by a company’s external environment. According to Brotherton et al (1996), external critical success factors are more difficult to control than the internal ones, though they may be measured and controlled to a certain degree. Environmental factors are not in the control of the organization but an organization must consider in developing CSFs. Economic, regulatory, political, and demographic changes create CSF’s for an organization. Examples for these are the industry regulation, political development and economic performance of a country, and population trends.

3.2.4 Temporal Factors/CSFs

According to Rockart et al (1986) temporal CSFs are contingency plans for all unexpected inter-organizational changes. They are designed and put into action in times of crisis situations, loss of
key personnel or upper management or natural disasters. Temporal CSFs are important if a company is planning to expand or enter into new, unknown markets or product design activities. Over the strategic planning period the organization’s CSFs may remain fairly constant, adjusted only when the organization makes major changes. However, at one time or another, every organization encounters temporary conditions or situations that must be managed for a specific period of time, while continuing to maintain its performance in all other areas (Rockart et al, 1986).

The following conditions can create temporal CSFs: threats that have been identified through SWOT analysis, temporary operating conditions, such as high inventory levels that must be reduced, extreme changes in the organization’s industry, such as the effect of the 11th Sept 2001 terrorist attacks on the airline and travel industries, barriers to entry to a new market or a new industry that arise when the organization takes, on a new strategic direction, temporary environmental factors, such as war, extreme weather, loss of key employees, process or production problems that cause temporary changes in the organization’s ability to produce its primary products or services, lawsuits or legal actions brought against the organization that must be managed as a course of business until resolved (Aaker, 1989).

Following the tragic U.S.A terrorist attack of 11th Sept, 2001 the world economy was bound to slip into a recession. These CSF’s may be important, but are usually short-lived. Temporal factors are temporary or one-off CSFs resulting from a specific event necessitating their inclusion. However, with the evolution and integration of markets globally, one could argue that temporal factors are not temporal anymore as they could exist regularly in organizations (Rockart et al, 1986). For example, a firm aggressively building its business internationally
would have a need for a core group of executives in its new markets. Thus, it would have the CSF of 'building the executive group in a specific market' and it could have this every year for different markets. A temporal CSF may be an indication of a permanent change in the organization's industry, operating environment, or competitive position and as a result may be adopted as a long-term organizational CSF because of its strategic importance.

3.2.5 Managerial factors

Every layer of management has a different perspective and focus in the organization. This division of labor ensures that both tactical and strategic actions are taken to accomplish the organization's mission. Managers have different focuses and priorities depending on the layer of management in which they operate. This translates into a set of CSFs that reflect the type of responsibilities required by the manager's position in the organization. In fact, the CSFs that are inherent to the level of management may be universal across different organizations in the same industry. This is important if CSFs are considered from an individual's point of view. Rockart et al (1986) give an example of manufacturing managers who would typically have the following CSFs; product quality, inventory control and cash control.

An example of CSFs for the five primary sources is shown from a work on enterprise security management (figure 2.2) which utilised the CSFs method to develop and deploy an effective approach to their business (Caralli, 2004).
CSFs are customized to each organization and help provide focus to steer the organization toward fulfilling its mission and vision through strategic objectives. These indicators of success are used to identify those things that if done well, lead to breakthrough results. Most organizations have between eight and twelve CSF and adjust them as strategy and strategic plans change. Having too many measures can make it difficult to target those things that would achieve the greatest results while having too few limits the organization’s ability to move to the next level (Rockart et al, 1986).

It is important to have SMART Goals attached to the CSF measures so there is a strategy and timeline for achieving targets. As a general rule of thumb, CSF should target those things that
Affect quality, cost, customer satisfaction, market share and increased revenues. Targeting these indicators and monitoring them monthly provides a quick visual for how successful the organization is and keeping goals at the forefront is the best way to ensure they are achieved. Like any other business goals, CSFs are only as good as they are monitored, measured and tracked for performance. There should be reporting processes put in place and these indicators should be reviewed on a monthly basis by senior leaders of the organization. Successful organizations have learned how to tie their CSF to their strategic plans and use business goals to accomplish them (Caralli, 2004).

3.3 Relationship between Organizations' goals and CSF

Goals and CSFs go hand-in-hand. Both are needed to accomplish the organization’s mission, and neither can be ignored without affecting the other. When managers set goals, they also implicitly consider what they need to do to be successful at achieving the goals. Thus, it is likely that managers consciously consider their CSFs during goal setting and consequently create the bond between goals and CSFs that is needed to contribute to accomplishing the organization’s mission. In this way, the influence of CSFs on goal achievement is made explicit, even if the actual CSFs are not. Organizations that have been successful at achieving their goals have also likely achieved their CSFs, albeit in a less observable way. Thus, goals sometimes resemble CSFs because they embody the importance of a key performance area (Caralli, 2004).

Usually a goal is immediately discernible from a CSF because of its specificity. A CSF for the organization may be more general and is likely to be related to more than one goal. According to Boynton and Zmud (1984), the strategy determines the CSF. They claim that CSFs are meant to determine which information is of importance for the management control system. Various
strategies call for different information, and, to that end, the management control process starts with the identification of CSF. In general the chosen strategy determines the CSF, and the subsequently form the basis for the design and functioning of the management control systems. Therefore the most important role of management control systems is to support the implementation of strategies (Dirks and Wijn, 2002).

The potential many-to-many relationship between goals and CSFs is indicative of their interdependent nature and the importance of CSFs in helping the organization accomplish its mission. Goals alone can be an unreliable predictor of an organization's ability to successfully accomplish its mission (Dirks and Wijn, 2002). This is because goal-setting in many organizations is at best a subjective exercise and often is strongly influenced by or derived from a performance management system rather than a strategic planning exercise. Often, goals are set with an eye to their achievability rather than how they contribute to accomplishing the mission.

The CSF follows from the vision and mission of the organization and from a strategic evaluation of the market. Wijn et al. (2002) defined CSF as the factors on which a company can distinguish itself from competitors, and thus build a stable, positive relation with the market. For example; an organization may realize that it is failing to accomplish its mission even though it has successfully achieved its goals. This can occur because the goals have not been aligned with the organization's strategic plan; thus their achievement does not propel the organization forward.

On the other hand, CSFs are less likely to be biased toward achievement. While CSFs are derived from and reflect the considerations of management, they are also inherited by the organization from the industry in which it operates its position relative to peer organizations, and the effects of the current operating climate and environment. As a result, even though an
organization may not achieve its goals, achieving CSFs may still get the organization closer to accomplishing the mission. Organizations that have achieved their goals but failed at their missions may have ignored the achievement of their CSFs (Caralli, 2004). In the CSF approach of strategic control, the CSFs are derived from the market, and are not automatically manageable and controllable. The connection between an organization's operating environment and CSFs make them collectively more reliable as a predictor of the organization's capabilities for accomplishing the mission.

3.4 Benefits of CSF to Managers

Of note is Rockart's view that one of the most powerful uses of CSFs is to enhance communication among the organization's managers (Rockart, 1979). The ability to get managers 'on the same page' can aid in mobilizing all areas of the organization toward the same goals. Regardless of how CSFs are used, there are several advantages to having this type of common focus for the organization. Identification of CSFs helps the manager to determine those factors on which he or she should focus management attention and organization resources. It also helps to ensure that those significant factors will receive careful and continuous management scrutiny. CSFs force the manager to develop good measures for those factors and to seek reports on each of the measures.

Further the identification of CSF allows a clear definition of the amount of information that must be collected by the organization and limits the costly collection of more data than necessary (Caralli, 2004). CSF identification moves an organization away from the trap of building its reporting and information system primarily around data that are easy to collect. Rather, it focuses attention on those data that might otherwise not be collected but are significant for the success of the particular management level involved.
The CSFs are a concept which is used often in discussing the characteristics of industry and the relationship of business strategies. To get better performance, the theory of business strategies uses the unique competence of the business to cope with the most important requirements of the environment, which is called the critical success factor (Porter, 1980). The CSFs may be derived from the features of a particular company’s internal environment, that is, its products, processes, people and possibly structures. Moreover, CSFs will reflect the company’s specific core capabilities and critical competencies for its competitive advantages.

Pollalis and Frieze (1993) proposed three main functions of CSFs in business; planning more efficiently, communicating more easily and controlling process more smoothly. According to Porter (1980), there are five main functions in CSFs one of which is that the organization allocates the resources more efficiently. CSFs simplifies the management works of higher level management, acts as a detector of the business performance, they are a communication tool for the system of planning management information and also an analysis tool for competitive advantages.

In their research on the use of CSFs in federal government program management, Dobbins James & Donnelly Richard (1998) identify uses of CSFs to identify the key concerns of senior management, assist in the development of strategic plans, identify key focus areas in each stage of a project life cycle and the major causes of project failure, evaluate the reliability of an information system, identify business threats and opportunities, and measure the productivity of people. CSFs are powerful because they make explicit those things that a manager intuitively, repeatedly, and even perhaps accidentally knows and does (or should do) to stay competitive. The importance of determining the CSFs for implementation is to increase the success rate, reduce costs and prevent disillusionment for business operation management. The CSF
identification process acknowledges that some factors are temporal and that CSFs are manager specific.

CSFs can reduce organizational ambiguity, this can be done by developing and communicating a set of CSFs and this can reduce the dependence on the perceived aims of the organization (Caralli, 2004). CSFs reflect the implicit, collective drivers of key managers and as a result are a more dependable and independent articulation of the organization's key performance areas. CSFs are more dependable than goals as a guiding force for the organization. An organization can set good goals that, in theory, will move the organization toward its mission. However, if the goals are poorly articulated or developed, this is not guaranteed.

CSFs are reflective of what good managers do well to move the organization toward its mission, regardless of the quality of the goals that have been set (Caralli, 2004). CSFs are more likely to reflect the current operating environment of the organization. Goal setting tends to be a cyclical (i.e. yearly) activity that is seldom revisited until performance measurement. Used properly, CSFs are likely to be more dynamic and to reflect current operating conditions (particularly because of the many sources of CSFs).

CSFs provide a key risk-management perspective for the organization to consider. The risk perspective of executive-level managers is built into CSFs, so their 'radar screen' is exposed to the organization as a whole. At the same time CSFs can be valuable for course correction (Caralli, 2004). When CSFs are made explicit, managers often realize that their perception of what is important to the organization may not match reality or they may realize that they don't fully understand the current operational climate. Thus, they can use CSFs to realign their operating activities.
3.5 Key Performance Indicators

Munro and Wheeler (1980) applied the concept of critical success factors in their research on the managerial needs for information. According to them, the concept of critical success factors may be successfully employed to direct a company’s effort towards the formation of a strategic plan. Furthermore, the concept may be applied not just merely for the selection of appropriate strategies, but also for the identification of major problems that arise in the strategy implementation process. The CSF must be directly related to strategic and business plan objectives and goals.

For each CSF there must be one or more associated Key Performance Indicators (KPI) that provides the measure, and a standard of performance or allowable variance from planned performance. Firm performance refers to the firm’s success in the market, which may have different outcomes. Performance can be characterized as the firm’s ability to create acceptable outcomes and actions. According to Harbour (1997) KPIs represents a set of measures focusing on the aspects of organizational performance that are most critical for the current and future success of the organization. These performance variables are especially critical in achieving a desired set of outcomes. Key performance indicators (or factors) are normally linked to core products and services and associated customer expectations (Harbour, 1997). The focus of KPI therefore is either on the aspects of organizational performance that require improvement or on the aspects that must be kept within a specified level to ensure the success of the organization.

KPIs for ranches in Laikipia East include; biodiversity conservation, income generation for livelihoods support and poverty alleviation, environmental management and conservation as well as community development (Tobias Ramser, 2007). Of outmost importance to the surrounding communities is poverty alleviation which comprises various elements such as generation of
livelihoods and income; improved access to social services and improved access to education, reduction of social risks and burdens related to food, housing, health, and low income, livelihoods and social empowerment. These elements are largely independent in terms of implementation, but interact positively in terms of effects.

Strategy implementation can be directed towards support to income generation, streamlining of policies, laws and guidelines, institutional development, management of stakeholder interests and priorities, including conflicts and convergences, awareness-building and attitudes among stakeholders and decision-makers in the public and private sectors and knowledge-building about poverty-related cause-effect relations, options, constraints, and synergies (Tue Kell Nielsen 2003)

3.6 Critical success factors in hospitality industry

Brotherton et al. (1996) reviewed CSF studies, and found that focused specialization is the essence of CSF approach to management. They defined focused specialization as the concentration of resources and effort factors capable of providing the greatest competitive leverage. Thus, basically CSFs are the factors that support a company's overall goals. Therefore, from a management perspective, the CSF approach is a way to focus a company's resources and efforts on factors that are critical to its success and has become an effective strategy for businesses, including hotels.

In hospitality, several researchers have carried out field or survey-based study to identify CSFs. Collie and Sparks (1999) suggested five broad success/difficulty factors including product, staffing, financial, environmental, and customer issues. In another study, Ottenbacher, Shaw, and Lockwood (2005) investigated the CFSs affecting innovation performance in chain and
independent hotels. The results of the study indicated that market attractiveness, process management, market responsiveness and empowerment predicted the successfulness of new service development in chain hotels while employee training, behavioral evaluation, effective marketing communication, marketing synergy and employee commitment were the CSFs for independent hotel innovations.

Kim and Okamoto (2006) studied hotels in Japan, and found that location, annex facilities and development system were important components of Japanese hotels. DiPietro, Murphy, Rivera, and Muller (2007) explored the CSFs of current multi-unit managers in a large casual dining restaurant and found that the CFSs of these managers were single operations, standard operating procedures, multi-unit strategic planning, interpersonal and social responsibilities, travel and visiting units, human relations, effective leadership, and unit level finances.

Brotherton (2004) in his study categorized the CSFs according to the following areas of hotel operation: front office, food and beverage (service), food and beverage (production), conference and banqueting, leisure operations, marketing/sales, human resource management, accounting and control, and guest accommodation. He further identified and categorized CSFs in UK budget hotel operations, and came up with seven categories: core product, consistency, customer service, hygiene and quality, strategic control, pricing, and location. Ultimately, the author created a final model in great parsimony with two dimensions of accessibility and performance.

Today few things are more challenging than finding the perfect location (Klara, 2001). Location is usually the first factor considered in making a real-estate decision. Issues like distance from the CBD especially for metro hotels and access and connectivity to roads or airports assume importance. Concept, food quality, service and economic shifts all factor into a restaurant's
success or failure. But if the customer base in a neighborhood is wrong, accessibility is poor or there simply aren’t enough people, a restaurant, no matter how good the food or trendy the ambience won’t make it.

Factors to be considered in site analysis are zoning, area characteristics, physical characteristics, cost consideration, utilities, access, position of site, traffic information, availability of services, visibility, competition, market, and type of restaurant and service (Khan, 1999). Hospitality industry wants the best location to be successful and so site selection is a key factor. Location objectives may be: to provide for the potential of adequate sales and, therefore, profit; to offset gains made by a competitors’ choice of location; to minimize the cost of preparing an outlet for operation. Positioning especially according to target guests segment is of utmost importance. Positioning offers a distinctive competitive advantage depending on the type of clientele that the organization targets.

Development of hotels is a highly capital intensive activity and new hotels requires high break-even point. Therefore financial flexibility is an essential CSF especially during the early years of operation. Although the findings of these studies varied according to the themes, nationality and cultural background, the identified CSFs can be divided into the categories of either technical (the efficiency and economy of the hotel operations) or human (marketing and service delivery) (Brotherton et al. 1996). Most of Laikipia East ranches are not only conservancies but are also involved in hospitality industry. Therefore the CSFs that are essential in the hotel industry will also be applicable to the ranches.
3.7 Theoretical Framework

3.7.1 Systems Theory

A system can be defined as an entity, which is a coherent whole (Maull and Yip, 2009) such that a boundary is perceived around it in order to distinguish internal and external elements and to identify input and output relating to and emerging from the entity. A systems theory is hence a theoretical perspective that analyzes a phenomenon seen as a whole and not as simply the sum of elementary parts. The focus is on the interactions and on the relationships between parts in order to understand an entity’s organization, functioning and outcomes.

Organizations should be seen as systems that transform inputs from the external environment into outputs to the external environment. The inputs an organization uses (materials, money, information and people) are transformed into outputs in the form of goods or services which are then exchanged in the external environment which in turn provide feedback for the organization, enabling it to begin the whole process again. The cycle of inputs, transformation and outputs must be maintained if the organization is to stay in existence. An organization will be profitable when the value created, or what customers are willing to pay, is greater than the cost of inputs and transformation (Maull et al., 2009).

Organizations should be viewed as open rather than closed systems. Many of the classical approaches treated organizations as closed systems which did not depend on interactions with the external environment for survival. They ignored the fact that an organization depends on the environment for inputs and on a market for outputs. Viewing systems as open is important to managers. If the environment does not need or want the outputs then the organization cannot be effective no matter how efficient it is. Systems theory focuses on the relationships between parts and the properties of a whole, rather than reducing a whole to its parts and studying their
individual properties (Ackoff, 1971). A system is defined as an entity which maintains its existence through the mutual interaction of its parts (Von Bertalanffy, 1976). Systems theory provides a framework by which groups of elements and their properties may be studied jointly in order to understand outcomes.

3.7.2 Contingency Theory

Contingency theory attempts to integrate the concepts of earlier approaches, especially systems theory. Contingency theory advocates that managerial practice depends on the situation facing an organization (Tiernan, Morely, Foley, 2006). It is impossible to specify a single way of managing that works best in all situations because circumstances facing organizations are varied and continually changing. Contingency theory rejects the idea of universal principles of management which can be applied in every case. Contingency theory accepts that every organization is distinct, operating in a unique environment with different employees and organizational objectives (Tiernan et al., 2006). Managers have to consider the circumstances of each situation before taking any action. Much of the research conducted within the contingency framework concentrated on how different environments and technologies affect the structure and processes of the organization.

Lawrence and Lorsch (1967) argued that the structure of an organization is contingent upon the environment within which it operates. In order to deal effectively with the external environment, organizations develop segmented units to deal with specific aspects of the environment. Differentiation describes this segmentation or breaking down of functions. The segments also need to be coordinated to achieve effective transaction with the environment. Such coordination and collaboration is achieved through integration, with the quality of the state of collaboration existing among departments that are needed to achieve unity of effort handed by the environment.
Integration can be achieved through mechanisms such as direct managerial contact, hierarchy, formal and informal communication and through more sophisticated devices such as permanent integrating teams and integrative departments. Lawrence et al. (1967) argued that the structure of the organization was contingent upon the rate of technological change. Based on research in the UK they found that if the rate of technological change was slow the most effective structure is mechanistic. If the rate of change is rapid, then a more flexible/organic type of structure is required. This allows flexibility as demanded by the pace of change.

### 3.7.3 Total Quality Management

William Edwards Deming and Joseph Moses Juran are the fathers of TQM. According to Deming (1986), by improving quality, costs would decrease due to less reworking, fewer mistakes, and fewer delays and better all round use of time. This results in greater productivity that enables the organization to capture a larger share of the market with a lower price and higher product quality. The more quality became embedded in the organization the less it would cost over time. Organizations should cease to rely on inspection to ensure quality but quality should be built into every stage of the production process with statistical controls to prevent, rather than detect, defects (Tieman et al., 2006). Cause of inefficiency and poor quality lay with the systems used and not the people using them. They stressed the importance of reducing deviations from standards.

Juran (1974) applied Pareto's "80/20 principle" to quality control efforts. He argued that 80% of defects on an assembly line came from a mere 20% of causes. These were correctable and therefore controllable by management. Quality he believed revolved around 3 areas: quality planning to identify the processes which would be capable of meeting standards, quality control
to highlight when corrective action was required and quality improvement to identify ways of doing things better.

The first step involves finding out about customer requirements which can be achieved through the use of surveys and focus group interviews. Following on from this a product/service is designed to meet customer requirements focusing on easy use and easy production. The production process must then be designed to determine where mistakes are likely to occur, and to prevent them. Keeping track of performance results where performance results are gathered and monitored to make sure that continuous improvement takes place follows and finally, organizations that have developed TQM attempt to extend the principles to those who supply their raw materials and those who distribute their products (Deming, 1986). The TQM philosophy rests on three principles: Customer focus, Continuous improvement and Teamwork.

3.7.4 Organization Culture

An organization’s culture is concerned with the shared values, beliefs and assumptions held by members of the organization and commonly communicated through symbolic means. Peters and Waterman (1982) provides a useful definition of organizational culture as the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration.

Organizational culture is developed from four interdependent sources all of which influence the beliefs, values and assumptions of the organization; prevailing national culture within which the organization operates and nature of the industry that acts as a determinant of an organization’s culture. Also, customer requirements in the form of reliability versus novelty, shape an organization’s culture (Tiernan et al 2006). Society holds certain expectations about particular
industries which influences the values adopted. Attempt to explain why some organizations are more successful than others pinpointed to aspects of culture which contribute to organizational performance.

Many of the behaviours within an organization are predetermined by the patterns of basic assumptions in the organization; its culture. Effective management therefore should focus on the culture of an organization rather than on the structures and systems of the organization. Peters and Waterman (1982) focused on the relationship between organizational culture and performance. They identified 8 cultural values that led to successful management practices which they called 'excellent values'; managers are expected to make decisions even if all the facts are not available, customers should be valued over everything else, the organization is broken into small, more manageable parts and these are encouraged to be independent, creative and risk taking, encourage productivity through people as people are the organization’s most important asset and the organization must let them flourish.

Managers were encouraged on hands-on management so as to stay in touch with business activities by wandering around the organization and not managing from behind closed doors. Reluctance to engage in business activities outside of the organization’s core expertise, simple form and lean staff, few administrative and hierarchical layers and small corporate staff were also encouraged (Peters and Waterman, 1982). Simultaneously loosely and tightly organized organizations are needed, where tightly organized is where organizational members understand and believe in the organization’s values, at the same time, loosely organized in that the organization has fewer administrative overheads, fewer staff members and fewer rules and procedures (Tiernan et al 2006).
Customer service is an integral part of the hotel experience. Clayton Barrows (2008) explains how the front-desk worker serves as the gatekeeper of the hotel. This employee provides the customer's first and last impression. Thus, hotels achieve a critical success factor by ensuring the staff is knowledgeable, courteous and capable of resolving any conflicts that arise. Providing
quality service also entails remembering the names and preferences of repeat visitors and giving advice about attractions and surroundings.

Successful hotels target specific consumers and will cater their prices, amenities and advertising strategies to this group (Michael J. O'Fallon, 2010). For example, some hotels advertise as an ideal location for business travelers by giving corporate discounts. This type of hotel also promotes itself as a venue for business meetings, displaying its on-site conference rooms in magazines aimed at executives. Managing costs is a critical factor in a hotel's success. Most hotels vary their rates according to high and low seasons. The establishment of a loyalty program enables hotels to lower rates for repeat guests while charging different rates for others.

Michael J. O'Fallon (2010) explains how computer programs also enable managers to identify the customers most willing to spend money and on which items. From this knowledge, the manager can advertise directly to the person before arrival by offering packages, upgrades and other incentives. Successful hotels also balance the cost of workers' wages, food and beverages, and electricity and maintenance with profits deriving from booked rooms, amenities, gift shops and food and beverages. Hotels thrive by offering guests a unique experience. This uniqueness may stem from the location: A rural hotel in the heart of the Tuscan countryside may offer Italian cooking classes, whereas a boutique hotel in Morocco might offer a hookah lounge. Other times, the differentiation is within the hotel itself.
CHAPTER THREE

4.0 RESEARCH METHODOLOGY

4.1 Introduction

This chapter will deal with research methods and procedures of data collections. This will include research design, target population, sampling procedure, data collection and analysis procedure, reliability and validity, ethical considerations as well as data presentation techniques.

4.2 Research design

This study adopted a descriptive survey research design. Survey research involves acquiring information about one or more groups of people perhaps about their characteristics, opinions, attitudes, or previous experiences by asking those questions and tabulating their answers (Polit and Beck (2004). It examines a situation ‘as it is’ without changing or modifying the situation under investigation. This method is appropriate in this study as both qualitative and quantitative data on effects of CSFs on performance of ranches will be collected.

4.3 Target population

The study population consisted of managers and heads of departments in the ranches.

Table 3.1 Target Population

<table>
<thead>
<tr>
<th>Target population</th>
<th>Population size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>12</td>
</tr>
<tr>
<td>Security and Operations</td>
<td>55</td>
</tr>
<tr>
<td>Logistics</td>
<td>71</td>
</tr>
<tr>
<td>Finance</td>
<td>24</td>
</tr>
<tr>
<td>Human Resource</td>
<td>32</td>
</tr>
</tbody>
</table>
4.4 Sampling procedure

Random sampling allows a researcher to use cases that have the required information with respect to the objectives of the study. Cases of subjects are handpicked because they are informative or they possess the required characteristic. A sample of 30% is an optimum sample under this study as proposed by Polit et al (2004). Random sampling ensures that the information obtained is representative of the population.

<table>
<thead>
<tr>
<th>Sample Population</th>
<th>Sample population size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>3</td>
</tr>
<tr>
<td>Security and Operations</td>
<td>23</td>
</tr>
<tr>
<td>Logistics</td>
<td>12</td>
</tr>
<tr>
<td>Finance</td>
<td>5</td>
</tr>
<tr>
<td>Human Resource</td>
<td>8</td>
</tr>
<tr>
<td>Community Programmes</td>
<td>11</td>
</tr>
<tr>
<td>Conservation</td>
<td>5</td>
</tr>
<tr>
<td>Livestock</td>
<td>11</td>
</tr>
<tr>
<td>Marketing</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>86</strong></td>
</tr>
</tbody>
</table>

Source: Researcher, 2013
4.5 Data collection procedure

The researcher collected data from the organization with the help of questionnaires. This involved a review of existing written documents in the organization. Further, the researcher conducted key informant interviews with the managers and personnel running various departments as well as administering questionnaires to the managers of the organization. Structured questionnaires were administered for the various sources of information, namely managers and persons involved in running the conservancy and the tented Camps. The questionnaires were based on responses on a Likert-type scale of 1 to 5.

4.6 Data analysis procedures

The data obtained from this study was in numerical or quantitative form that is, in the form of numbers or qualitative form that is represented either in a verbal or narrative. Qualitative data is analyzed based on the experiences of the individual participants while quantitative data is analyzed by working out some descriptive statistics to summarize the pattern of findings. These descriptive statistics include measures of central tendency and measures of the spread of scores within a sample.

4.7 Reliability and Validity

Validity refers to the degree to which a study actually represents the phenomenon under study (Mugenda and Mugenda, 2003). Evaluation for content and external validity was made. Content validity is a measure of the degree to which data collected using a particular instrument represents a specific domain of indicators or content of a particular concept (Mugenda et al, 2003). External validity is the degree to which the study can be generalized to the other people and other research settings.
Reliability means the likelihood of obtaining the same results when the researcher measures the same variable more than once or when more than one person measures the same variable. An instrument can be said to be reliable if its measurements accurately reflects the true scores of the attribute under investigation (Polit et al, 2004). The researcher used the Cronbach’s Coefficient Alpha scores to test the reliability of the questionnaire for internal consistency. Cronbach’s Alpha is a general form of Kuder-richardson (K-R) 20 formula which is as follows:

\[
KR_{20} = \frac{(K)(S^2 - \Sigma s^2)}{(S^2)(K-1)}
\]

Where: 
- \(KR_{20}\) = Reliability coefficient of internal consistency
- \(K\) = Number of items used to measure the concept
- \(S^2\) = Variance of all scores
- \(s^2\) = Variance of individual items

4.8 Data presentation

Analysis of multiple types of data sources such as interviews with all relevant persons, observation, documents, archives and physical information will be done. Both quantitative and qualitative data was collected and analyzed; quantitative data was presented in tables, pie charts and bar graphs while qualitative data was presented in written narrative.

4.9 Ethical consideration

Research ethics is referred to as a system of moral values that is concerned with the degree to which research procedures adhere to professional, legal and sociological obligations to the study participants (Polit et al, 2004). The researcher ensured to protect the rights of the institutions where the research was carried out. Permission was obtained from the CEOs to carry out research in their organizations. Researcher also obtained informed consent from the research
participants. The researcher gave detailed explanations of the nature and purpose of the study and also carried an introduction letter from the university.

The researcher committed herself to maintaining anonymity and confidentiality. Anonymity occurs when even the researcher cannot link a participant with the information for that person (Polit et al, 2004). This was done by requesting the respondent not to write their name or any other personal details on the questionnaire form. Scientific integrity was respected by the researcher. Forging data, distorting findings and reporting on non-existing things was refrained from. Own work and ideas were presented and the researcher ensured that participants were not influenced in their responses to support views held by the researcher.
CHAPTER FOUR
DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction
This chapter shows findings of the study and discusses these findings in length. The study targeted managers managing ranches in Laikipia East. Eighty six respondents were selected using simple random sampling procedure from different departments in nine ranches of Laikipia East.

4.2 Test for reliability of questionnaires
With a pilot of ten questionnaires, the researcher used the Cronbach’s Coefficient Alpha scores to test the reliability of the questionnaire for internal consistency. Cronbach’s Alpha is a general form of Kunder-richardson (K-R)₂₀ formula which is as follows;

\[ KR_{20} = \frac{(K)(S^2 - \sum s^2)}{(S^2)(K-1)} \]

Where: \( KR_{20} \) = Reliability coefficient of internal consistency

\( K \) = Number of items used to measure the concept

\( S^2 \) = Variance of all scores

\( s^2 \) = Variance of individual items

Table 4.1 Cronbach’s Alpha

<table>
<thead>
<tr>
<th>CSFS</th>
<th>K</th>
<th>S²</th>
<th>( \sum s^2 )</th>
<th>( \alpha )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site and Location</td>
<td>4</td>
<td>5.158</td>
<td>2.395</td>
<td>0.714</td>
</tr>
<tr>
<td>Service Offer</td>
<td>5</td>
<td>6.941</td>
<td>2.173</td>
<td>0.859</td>
</tr>
<tr>
<td>Marketing Strategy</td>
<td>5</td>
<td>6.693</td>
<td>2.913</td>
<td>0.706</td>
</tr>
<tr>
<td>Resources and Capabilities</td>
<td>5</td>
<td>3.155</td>
<td>1.33</td>
<td>0.723</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2013

In all the CSFs the Cronbach’s Alpha \( \alpha \geq 0.7 \) hence the questionnaire was reliable.
4.3 Response Rate

Table 4.2 shows the departments and number of respondents in each. Sixty eight questionnaires were collected out of the eighty six that were sent out. This represents 79% response and 21% did not respond. Most respondents were from security and operations department and also from logistics at fifteen and ten respondents respectively.

Table 3.2 Respondents

<table>
<thead>
<tr>
<th>Departments</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>3</td>
</tr>
<tr>
<td>Security and Operations</td>
<td>15</td>
</tr>
<tr>
<td>Logistics</td>
<td>10</td>
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<tr>
<td>Finance</td>
<td>5</td>
</tr>
<tr>
<td>Human Resource</td>
<td>7</td>
</tr>
<tr>
<td>Community Programmes</td>
<td>6</td>
</tr>
<tr>
<td>Conservation</td>
<td>5</td>
</tr>
<tr>
<td>Livestock</td>
<td>9</td>
</tr>
<tr>
<td>Marketing</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2013

4.4 Background Information

4.4.1 Gender of Managers in Laikipia East ranches

The researcher sought to establish the gender of the respondents and found that 48 manager were male while 20 were female. This represents a 70.6% male response and 29.4% female response as shown in the table 4.3 below;
4.4.2 Age of Managers in Laikipia East ranches

On the age of the respondents, the study found that majority of managers were between 20 and 40 years with 35.3% and 33.8% of the sample between ages 20-30 years and 30-40 years respectively, while 26.5% respondents were between 40 and 50 years. However above 50 years were a small percentage of only 4.4%. The table 4.4 below shows the researcher’s findings.

Table 4.4 Managers Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30 Years</td>
<td>24</td>
<td>35.3</td>
<td>35.3</td>
</tr>
<tr>
<td>30-40 Years</td>
<td>23</td>
<td>33.8</td>
<td>69.1</td>
</tr>
<tr>
<td>40-50 Years</td>
<td>18</td>
<td>26.5</td>
<td>95.6</td>
</tr>
<tr>
<td>Above 50 Years</td>
<td>3</td>
<td>4.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2013

4.4.3 Distribution of Laikipia East managers by Level of Education

Data on academic qualification show that at least 9% had certificate qualification and 15% had postgraduate qualifications. Most managers had either degree qualifications or diploma
certificates at 46% and 31% respectively. It came out that the ranches were very particular on the qualifications of their managers.

**Figure 4.1 Professional Qualification**

![Bar chart showing qualifications: 46% Postgraduate, 31% Diploma, 15% Degree, 9% Certificate]

Source: Field Survey, 2013

### 4.4.4 Length of service in the hospitality industry and in current position

On the length of service in the hospitality industry majority of managers have served for a period of less than 10 years. 36.8% have served for less than 5 years and 35.3% of the managers have served for between 5 and 10 years. Only 8.8% of the respondents have served for over 20 years. This can be seen in table 4.5 below.
Table 4.5 Length of Service in Hospitality Industry

<table>
<thead>
<tr>
<th>Length Of Service In Hospitality Industry</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>25</td>
<td>36.8</td>
<td>36.8</td>
</tr>
<tr>
<td>5 - 10 years</td>
<td>24</td>
<td>35.3</td>
<td>72.1</td>
</tr>
<tr>
<td>10 - 15 years</td>
<td>4</td>
<td>5.9</td>
<td>77.9</td>
</tr>
<tr>
<td>15 - 20 years</td>
<td>9</td>
<td>13.2</td>
<td>91.2</td>
</tr>
<tr>
<td>Above 20 years</td>
<td>6</td>
<td>8.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2013

On the other hand, majority of the respondents' have their length of service in the current position for less than five years at 51.47%. Those who have been in the current position for between 10-15 years and for over twenty years have the smallest percent of 4.41% (figure 4.2).

Figure 4.2 Length of Service in Current Position

Source: Field Survey, 2013
4.5 Effects of Site and Location to performance of ranches

With a likert scale of 1-5 with 1 - No effect, 2 - To a small extent, 3 - Neutral, 4 - To a very great extent, 5 - Fully, the data shows that accessibility had a mean of 3.88 hence affecting performance of ranches to a very great extent, followed by proximity to population concentration at a mean of 3.63. Competitor’s location affects performance of ranches minimally in this case with a mean of 2.87 (figure 4.3).

Figure 4.3 Site and Location

From the analysis, managers felt that accessibility played a major role on the site and location of a ranch. Accessibility includes the roads network and the means of transport and communication and the conditions of the transport network. Another determining factor that plays an important part on site and location of ranches is proximity to population concentration. The study shows that ranches need to be placed far from the population concentration so as to avoid human-animal conflict. Managers were rather neutral on the feeling that future demographic
developments affect the situation of ranches. This is rather surprising owing to the fact that they felt that proximity to population affected the location of ranches. The feeling was mutual that the position of competitors did not affect the positioning of ranches. From the analysis, competitors’ presence was not found to be a challenge to the performance of ranches.

4.6 Effects of Service Offer to Performance of ranches

The researcher sort to find out the effects of the services offered on performance of the Laikipia East ranches by using a 5-scale Likert where 1- No effect, 2- To a small extent, 3- Neutral, 4- To a great extent, 5-Fully. Safety and security (at a mean of 4.382) came up on top of the list on affecting performance of ranches. From the analysis, managers felt that the performance of ranches was highly affected by the security and the safety of the ranches and the surrounding. Customers needed to feel secure for them to visit the ranches.

Managers felt that customers look for security before they look at the services that the ranch offers. Provision and maintenance of high levels of customer care services also affected ranches performance to a great extent at a mean of 4.029 though not as much as security and safety. Providing high quality facilities as well as meeting customers’ needs and preferences rank relatively the same at a mean score of 3.779 and 3.706 respectively. As much as meeting customers’ needs and high quality facilities are important, the study shows that they are not as important to ranches performance as security does. It also came out that offering a variety of products (with a mean score of 3.618) affects the ranches performance of ranches to a great extent. Though it comes last in the variables on service offer it is still important to customers when they choose to visit a ranch hence its success (figure 4.4).
4.7 Marketing strategy effects on performance of ranches

The researcher collected data on marketing strategy on a Likert scale of 1-5 with 1- Strongly agree, 2-Somehow agree, 3-Neutral, 4-Somehow agree, 5-Strongly disagree, coming up with a mean range of between 1.93 for effective advertising and 2.68 for effective reservation systems. This shows an opinion of between strongly agreeing and neutral opinion that the tested factors affect performance of ranches.

Effective advertising (1.93) is very important as a marketing strategy for ranches. It also came out that ability for a ranch to adapt to market changes is also an important strategy to effective performance of ranches. Charging competitive and affordable prices as well as community
programs offered by ranches fall between somehow agreeing and neutral (at a mean of 2.56 and 2.51 respectively) on affecting ranches performance. They may not be very important strategies that contribute to the successful performance of ranches. This may be attributed to the fact that they are not the key functions of ranching. At a mean of 2.68 managers felt that effective reservation systems may not highly affect the performance though they are a prerequisite to attracting and maintaining the customers (Table 4.6).

Table 4.6 Marketig Strategy

<table>
<thead>
<tr>
<th>MARKETING STRATEGY</th>
<th>MEAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>EFFECTIVE ADVERTISING</td>
<td>1.93</td>
</tr>
<tr>
<td>CHARGING COMPETITIVE AND AFFORDABLE PRICES</td>
<td>2.56</td>
</tr>
<tr>
<td>ADAPTING TO MARKET CHANGES</td>
<td>2.40</td>
</tr>
<tr>
<td>COMMUNITY PROGRAMS</td>
<td>2.51</td>
</tr>
<tr>
<td>EFFECTIVE RESERVATION SYSTEM</td>
<td>2.68</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2013

4.8 Effects of Resources and Capabilities on performance of ranches.

Collected data on the resources and capabilities on a 5-scale Likert where 1- Not at all important, 2- Less important, 3- Neutral, 4- Very important, 5- Extremely important, shows that qualified and experienced staff with a mean score of 4.46 is extremely important to ranches' performance. Staffing is very essential to the success of the ranches as they are the implementers of the ranches objectives. Creativity and innovativeness of management as well as effective financial reporting are equally very important at a mean score of 4.06. Comparing to staffing they come in second because staff have to be qualified first so as to be creative. Financial reporting and
auditing is also an ingredient to success of ranches as this ensures that financial use is monitored. Cost control and technology innovations though last in this case are also very important to the performance of ranches at a means score of 3.99 and 3.91 respectively. Ranches must control the organizations spending for better performance. Technology innovations though coming slightly after cost control does not mean that it is less important. Ranches must adopt technology so as to be competitive.

Figure 4.5 Resources and Capabilities

4.9 Critical Success Factors Affecting the performance of ranches

The researcher took the average mean of all success factors and found that resources and capabilities take the highest mean of 4.09 such that it is very important to the performance of ranches. Under the study, resources and capabilities are the most critical. These include the qualified staff and technological innovations.
Services offered (at a mean of 3.9) shows that it influences performance of ranches to a great extent. Relatively at the same level with resources and capabilities, the findings put services offered by the ranches to be very paramount to its performance. This supports what is written by Michael J. O'Fallon, author of Hotel Management and Operations who felt that hotels thrive by offering guests a unique experience which comes from what is offered.

Findings of the study show that (at a mean of 2.1) marketing strategy has somehow contributed to the performance of ranches. This implies that marketing strategy is not very important to ranches performance. Site and location at a mean of 3.4 affect performance to some extent. This do not support Klara, 2001 whose finding in his study indicated that location is usually the first factor considered in making a real-estate decision. This do not imply that site and location is not important to ranches performance in Laikipia East but relative to the variables under study managers felt that it did not rank as highly as the other factors.
<table>
<thead>
<tr>
<th>CSFS AFFECTING PERFORMANCE OF RANCHES</th>
<th>MEAN</th>
<th>AVERAGE MEAN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SITE AND LOCATION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACCESSIBILITY</td>
<td>3.87</td>
<td></td>
</tr>
<tr>
<td>DEMOGRAPHIC DEVELOPMENT</td>
<td>3.22</td>
<td></td>
</tr>
<tr>
<td>COMPETITORS LOCATION</td>
<td>2.87</td>
<td></td>
</tr>
<tr>
<td>PROXIMITY TO POPULATION</td>
<td>3.63</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.4</td>
</tr>
<tr>
<td><strong>SERVICE OFFER</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CUSTOMER CARE</td>
<td>4.03</td>
<td></td>
</tr>
<tr>
<td>SAFETY AND SECURITY</td>
<td>4.38</td>
<td></td>
</tr>
<tr>
<td>MEETING CUSTOMER NEEDS AND</td>
<td>3.71</td>
<td></td>
</tr>
<tr>
<td>PREFERENCES</td>
<td></td>
<td>3.9</td>
</tr>
<tr>
<td>OFFERING VARIETY PRODUCTS</td>
<td>3.62</td>
<td></td>
</tr>
<tr>
<td>PROVIDING HIGH QUALITY FACILITIES</td>
<td>3.78</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MARKETING STRATEGY</strong></td>
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</tr>
<tr>
<td>EFFECTIVE ADVERTISING</td>
<td>1.93</td>
<td></td>
</tr>
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<td>CHARGING COMPETITIVE AND</td>
<td>2.56</td>
<td></td>
</tr>
<tr>
<td>AFFORDABLE PRICES</td>
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<td>2.41</td>
</tr>
<tr>
<td>ADAPTING MARKET CHANGES</td>
<td>2.40</td>
<td></td>
</tr>
<tr>
<td>COMMUNITY PROGRAMS</td>
<td>2.51</td>
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</tr>
<tr>
<td>EFFECTIVE RESERVATION SYSTEM</td>
<td>2.68</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RESOURCES AND CAPABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TECHNOLOGY INNOVATIONS</td>
<td>3.91</td>
<td></td>
</tr>
<tr>
<td>QUALIFIED AND EXPERIENCED STAFF</td>
<td>4.46</td>
<td></td>
</tr>
<tr>
<td>EFFECTIVE FINANCIAL REPORTING</td>
<td>4.06</td>
<td></td>
</tr>
<tr>
<td>CREATIVITY AND</td>
<td></td>
<td>4.09</td>
</tr>
<tr>
<td>INNOVATIVENESS OF MANAGEMENT</td>
<td>4.06</td>
<td></td>
</tr>
<tr>
<td>COST CONTROL</td>
<td>3.99</td>
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</tr>
</tbody>
</table>

Source: Field Survey, 2013
CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter gives a conclusion to the study. Section 5.2 of this chapter provides the summary of key findings, section 5.3 provides the research conclusions, 5.4 explains recommendations of the study and section 5.5 gives recommendations for further research.

5.2 Summary of Key Findings
This study aimed at investigating the CSFs affecting the performance of ranches in Laikipia East. The specific objectives of the study were to study the effects of site and location on performance of ranches, to establish whether marketing strategy affect the performance of ranches, to establish the effect of services offered on performance of ranches, and also to study the effect of resources and capabilities on performance of ranches in Laikipia East.

5.2.1 Effects of Site and Location to performance of ranches
The study was keen to learn the effect of site and location to performance of ranches. Deriving from figure 4.4, respondents felt that accessibility was the most important factor in site and location of ranches that affect its performance. Responses on proximity to population concentration are also quite high in affecting ranches performance. This stood at a mean of 3.63 moving towards affecting performance to a very great extent.

Future demographic developments and competitors location did not have any effect on ranches performance. They fall close to a mean of 3 which is a neutral position. It would be expected that ranches would be situated in an area that do not have high demographic development because if its future expansion but the study shows otherwise. The likely positioning of ranches would be

51
away from the competitor but the study show that it does not have much effect on the location of the ranches. Today few things are more challenging than finding the perfect location (Klara, 2001). Location is usually the first factor considered in making a real-estate decision. The study do not support this view.

5.2.2 Effects of Service offered to performance of ranches

All the factors in service offer affected performance of ranches to a great extent as the responses of the study averaged to 4. Safety and security took the lead in this case at mean of 4.382. Respondents felt that customer's security of themselves and their belongings were very important hence security in the ranches and its surrounding are very important for the success of ranches.

From figure 4.5 customer service comes next in importance to safety. Customers would likely visit a ranch where they know that they are going to be taken care of. Meeting customers’ needs and preferences, offering variety of products and providing high quality facilities (averaging at a mean of 3.7) leans towards affecting performance of ranches to a great extent. These factors may tally as all of them describe the service offered. This study therefore shows that the product offered plays a very great part in the performance of ranches. It supports Brotherton (2004) in his study where he categorized the CSFs according to the following areas of hotel operation: front office, food and beverage (service), food and beverage (production), conference and banqueting, leisure operations, marketing/sales, human resource management, accounting and control, and guest accommodation. In general, Brotherton study had focused on the services offered.
5.2.3 Effects of the Marketing Strategy on performance of ranches

The factors in marketing strategy responses averaged around somehow agreeing and neutral feelings that they do affect performance of ranches. Responses on marketing strategies (figure 4.2) show that effective advertising ranks highly. This may be because it is a first step towards attracting customers. Responses also show that a ranch being able to adapt to changes is also somehow important in determining the performance of ranches.

Charging competitive and affordable prices and having effective reservation systems are aimed at giving the ranch a competitive edge. The study however shows that have a neutral effect to the performance of ranches. Community programs offered by the ranches are intended to make the community support the ranches and also to raise the living standards of the members of the community. Surprisingly this is not reflected in the study results to have an effect on the ranches’ performance. This may be because community development is not a core business of the ranches. The study results do not support what (Brotherton et al. 1996) wrote. He felt that CSFs can be divided into the categories of either technical (the efficiency and economy of the hotel operations) or human (marketing and service delivery)

5.2.4 Effects of Resources and Capabilities on performance of ranches

According to the results on resources and capabilities, respondents felt that these factors were very important to the successful performance of ranches. All the means tended towards 4 which meant that the factors were very important to high performance of the ranches. Qualified and experienced staff showed a mean of 4.46. This is between being very important to being extremely important. Cost control, creativity and innovativeness, effective financial reporting and technology innovations all cluster around a mean of 4. This means that all of them are very important to the performance of ranches. Ottenbacher, Shaw, and Lockwood (2005) investigated
the CFSs affecting performance, and results of the study indicated that market attractiveness, process management, market responsiveness and empowerment as well as employee training, behavioral evaluation, effective marketing communication, marketing synergy and employee commitment were the CSFs for successful hotels. The study seems to support this.

5.3 Conclusions

Several conclusions can be made from this study. First the study shows that management of ranches is dominated by men. This may be because most ranches are located in the remote areas and women especially those with families may shy off from subjecting their families to the harsh conditions.

Most managers are aged between twenty and forty years with most being in the hospitality industry and in the current position for less than 10 years. Further the study shows that Managers were highly educated with most being degree and also diploma holders. Resources and capabilities stand out as the CSF affecting performance of ranches closely followed with a small margin by the services offered. Marketing strategy seems to somehow affect performance. Though some studies show site and location as a key factor to real estate businesses, this study places it fourth and last in the list of affecting performance of ranches. It has a mean that shows neutral opinion of respondents on its effect on performance.

On the overall qualified and experienced staff stands out as very important factors to successful performance of ranches. On the other hand competitors' location, demographic development and seem to be having less effect to performance of ranches. However resources and capabilities as well as service offer comes up as the most important CSFs that affect performance of ranches. Site and location and even marketing strategy do not come out as affecting performance of ranches strongly but to some extent.
5.4 Recommendations

It seems that the ranches location is not paramount to the successful performance of ranches and therefore instead of them being placed in far off remote areas where accessibility is a challenge, they can be located in areas near the urban areas where it is more accessible. This may also enhance gender sensitivity and may be even enable workers to stay for long. This would also encourage the local community to visit the ranches more. The road networks to these ranches need to be more passable. Most of these ranches are only accessible by use of four wheel vehicle which can be able to pass thro even during the rainy season. The government needs to invest in this as the ranches are a source or foreign revenue for the country. It seems that the marketing strategy engaged is not so important to the ranches performance. More may be done instead to motivate the managers to remain in the same job for long in the ranches to discourage high job mobility.

5.5 Recommendations for Further Research

To wind up this research some areas need further research. One of these areas is why in ranch management there is biased towards male dominion. Further site and location was seen not to affect performance of ranches and yet accessibility to some of these ranches is a challenge without the use of four wheel drive vehicles. Ranches seem like they are designated for the rich and international tourists because of the high costs of entry and accommodation. Further research should be done on whether there is room for local tourism and consumption of these ranching services.
REFERENCES


APPENDICES
Appendix i

Questionnaire
This study aims at examining the CSFs used in the running and success of the Ol Pejeta conservancy and Sweet waters tented camp. This is in partial fulfillment for the award of a degree of Masters in Business Administration in strategic management of Kenyatta University. All responses will be treated with strict confidence and will not be used for any other purpose than the stated. Kindly complete the questionnaire as truthfully as possible.

Rimui Ruth W.

Reg No. D53/NYI/PT/23217/2010

Thankyou.

SECTION A: BACKGROUND INFORMATION

Please tick as appropriate

1. Gender: Male [ ] Female [ ]

2. Age bracket (YRS): 20-30 [ ] 30-40 [ ] 40-50 [ ] Above 50 [ ]

3. Professional qualification:
   Post graduate [ ] Diploma [ ]
   Degree [ ] Certificate [ ]
   Others (specify) ________________________

4. Present designation ________________________
5. Length of Service in current position:

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Less than 5 YRS</th>
<th>5 – 10 YRS</th>
<th>10 - 15 YRS</th>
<th>Above 20 YRS</th>
</tr>
</thead>
</table>

6. Length of service in hospitality industry:

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Less than 5 YRS</th>
<th>5 – 10 YRS</th>
<th>10 - 15 YRS</th>
<th>Above 20 YRS</th>
</tr>
</thead>
</table>

SECTION B: SITE AND LOCATION

To what extent do the ranch site and location factors affect performance of ranches. Please circle the numeral that best represents your level feeling as coded below; (1- No effect, 2 - To a small extent, 3 - to some extent, 4 - To a very great extent, 5 - Fully)

- Accessibility: 1 2 3 4 5
- Future Demographic Developments: 1 2 3 4 5
- Competitor’s Location: 1 2 3 4 5
- Proximity to Population Concentration: 1 2 3 4 5
SECTION C: SERVICE OFFER
Indicate the extent to which you think the following service offer factors influence the performance of ranches. Please circle the numeral that best suits your choice (1- No effect, 2- To a small extent, 3- Neutral, 4- To a great extent, 5 - Fully)

| Provision and maintenance of high levels of customer care | 1 | 2 | 3 | 4 | 5 |
| Safety and Security | 1 | 2 | 3 | 4 | 5 |
| Meeting customers’ needs and preferences | 1 | 2 | 3 | 4 | 5 |
| Offering a variety of products | 1 | 2 | 3 | 4 | 5 |
| Providing high quality facilities | 1 | 2 | 3 | 4 | 5 |

SECTION D: MARKETING STRATEGY
The following marketing strategies have contributed highly to the performance of ranches. To what extent do you agree or disagree. (1- Strongly agree, 2-Somehow agree, 3-Neutral, 4-Somehow disagree, 5-Strongly disagree)

| Effective advertising | 1 | 2 | 3 | 4 | 5 |
| Charging competitive and affordable prices and rates | 1 | 2 | 3 | 4 | 5 |
| Being able to adapt to market changes | 1 | 2 | 3 | 4 | 5 |
| Community programmes | 1 | 2 | 3 | 4 | 5 |
| Effective reservation system | 1 | 2 | 3 | 4 | 5 |
SECTION E: RESOURCES AND CAPABILITIES

The following factors have contributed to the successful performance of ranches. Indicate to what extent you feel they are important or not important. (1- Not at all important, 2- Less important, 3- Neutral, 4- Very important, 5- Extremely important)

<table>
<thead>
<tr>
<th>Factor</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology innovations</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Qualified and experienced staff</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Effective financial reporting</td>
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<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Creativity and innovativeness of management</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Cost control</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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</tbody>
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THANK YOU
### Appendix ii  Budget

<table>
<thead>
<tr>
<th>Cost</th>
<th>Total cost (Ksh)</th>
</tr>
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<tbody>
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<td>Data collection expenses</td>
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<tr>
<td>Data processing</td>
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</tr>
<tr>
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</tr>
<tr>
<td>Photocopy</td>
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<tr>
<td>Binding</td>
<td>15,000</td>
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<tr>
<td>Travelling</td>
<td>30,000</td>
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<tr>
<td><strong>Total cost</strong></td>
<td><strong>121,000</strong></td>
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### Appendix iii Time Frame

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<th>Activity</th>
<th>Time frame</th>
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</thead>
<tbody>
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<td>Research problem</td>
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<td>Proposal writing</td>
<td>June/July 2012</td>
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<td>Data collection</td>
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<td>Data analysis</td>
<td>October 2012</td>
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<tr>
<td>Report writing</td>
<td>November 2012</td>
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<tr>
<td>Submission of research report</td>
<td>November 2012</td>
</tr>
<tr>
<td>Submission of final research project</td>
<td>December 2012</td>
</tr>
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</table>
 Appendix iv  List of ranches in Laikipia East

1. Ol Pejeta ranch
2. Sosian
3. Segera
4. Ill' Ngwesi
5. Koija
6. Borana lodge
7. Solio
8. Ol' Gaboli