# BARRIERS TO CORPORATE STRATEGY IMPLEMENTATION IN REAL ESTATE COMPANIES IN KENYA: A CASE OF VILLA CARE COMPANY LIMITED IN NAIROBI COUNTY

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# **DECLARATION**

I confidently proclaim that this research project is my original work and has not been presented for the award of any other degree in any other university.		
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This research project has been subm	nitted for examination with my approval as the	
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#### **DEDICATION**

I dedicate this project to my loving mother Harriet Nadunga and father Benjamin Owino in appreciation of their prayers and encouragement. To my brothers Paul, Emmanuel and Gabriel I express immense gratitude for the support and motivation that led to the successful completion of this project.

#### **ACKNOWLEDGEMENTS**

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### ABBREVIATIONS AND ACRONYMS

CAK: Construction Authority of Kenya

**ERS:** Economic Recovery Strategy

**ERP:** Enterprise Resource Planning

**FSP:** Formal Strategic Planning

**GDP:** Gross Domestic Product

**SWOT:** Strengths, Weaknesses Opportunities and Threats

**TQM:** Total Quality Management

**ROK:** Republic of Kenya

**R & D:** Research and Development

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#### **ABSTRACT**

The Kenyan real estate industry plays a pivotal role in driving the economy of the country by being instrumental in giving rise to about 5.8% of the country's GDP. Despite crafting robust strategies, the performance of real estate companies in Kenya has been on a downward trend. Theoretical literature suggests that strategic planning and implementation generates positive outcomes for organizations. Additionally, empirical studies indicate that more strategies fail at the point of implementation not at the formulation phase. The failure rate is more than 70% and in some cases at more than 90%. In the developing countries little attention has been given to study the management perception of barriers to strategy implementation and almost none existent empirical study in the real estate sector. Therefore, this study sought to determine the management perception on barriers to corporate strategy implementation in real estate companies in Kenya. It sought to determine the effect of resource availability, organisational structure, organisation culture and managerial skills/leadership on strategy implementation. Significant difficulties in relation to the strategy implementation process are faced by a lot of organizations as poor implementation is the number one cause of the failure of most strategies ability to produce superior performance. The justification for the investigation was to determine the barriers to corporate strategy implementation. The study objective was to establish the barriers to corporate strategy implementation among real estate companies in Kenya and determine the possible solutions in relation to the barriers. The research utilized a Case study design. Data was collected from 4 senior employees within the organization. An interview guide was used as the data collection tool and content analysis applied as the qualitative research technique. From the findings, it was determined that the greatest barriers to strategy implementation at Villa Care Company Limited included inadequate resources, poor communication, wide organizational structure, lack of employee motivation and commitment, a divergent organizational culture and complex administrative systems. The study established that the barriers facing the implementation of strategies adopted by Villa Care Limited would be better resolved for performance to improve to a great extent. Research further established that most of the respondents were in agreement that the barriers facing the implementation of strategies adopted by the company for effective performance required custom mitigation methods if they were to be applied to various firms across the industry. This study therefore recommends that in order to avoid many impediments, Villa Care Company Limited should make sure that strategy implementation techniques are inviolable so as to strengthen administrative, credit and financial management.

#### **CHAPTER ONE: INTRODUCTION**

#### 1.1 Background of the Study

Porter (1996) argues that strategy is about differentiating oneself from a customer perspective, competitive position and the use of a blend of activities different from those used by rivals to add value. Competitive strategy in this regard is about being different in that it is a combination of ends (a distinctive mix of value) for which the firm is aspiring and the course (different set of activities) by which it is seeking to get there (Porter, 1986). Davenport, Leibold and Voelpel (2006) posit that the essence of wealth creation and economic value has become radically different, requiring an aggregate of new mindsets as well as new management approaches and tools.

Organisational performance in the new millennium has generally received the positive effects of strategy management (Hitt, Hoskisson & Ireland, 2011; Bambang, Arvand, & Ahmad, 2014). This notion uses organizational theory as its primary postulatory base with a lodged latent contingency concept of fit that suggests equating strategy to organizational structure and control systems to managers' characteristics for higher-level accomplishments (Govindarajan, 1988).

As a reinforcing theme, control theory is recognised as a sociologic fact to guide a complex reality. However, complication arises from the fact that it has to rely on conceptual speculation rather than verifiable affirmation of non-identical benchmark structures (Daft & Macintosh 1984). Owing to the increased inclination to horizontal establishments, the decision-making charge is ceded to action managers. (Noble, 1999). The presumption is thus that this has initiated and/or established the interest in decision theory in the research on strategy implementation.

Decision-making is hence a theoretical topic that views strategy conception and execution as recurring resolutions that could be deemed divergently (Rapert, Velliquette & Garretson, 2002). There is no shortage of accumulated knowledge and literature by other disciplines (Bossidy, Charan, & Burck, 2011). Strategy implementation has scarce literature and this makes it a topic of interest to scholars, especially in the developing world.

The Kenyan economy has experienced many changes over the past years. These changes have had an appreciable influence in all fabrications and the real estate industry is no special case. For a great period of time, real estate has remained a major avenue of investment for majority of Kenyans. The impregnable attachment Kenyans have to land and landed property has ensured steady flow of investment into real estate. In the recent past, there has been an emerging trend towards investing wisely in real estate. This has been on the realization that one can easily make or lose money while investing in real estate and/or other property investment avenues.

#### **1.1.1** The Concept of Corporate Strategy

The advancement of strategy since the mid twentieth century can be illustrated by a variety of systems and ideas introduced by management advisers and scholars. To exemplify, Micheal Porter's Five Forces Model, SWOT analysis and the Experience Curve. These necessitate increased attention on cost, competition and customers. Further prominence on these "3 Cs" was strengthened by much more resolute empirical scrutiny at exceedingly lower levels of aspect, as businesses and corporations were unclumped into business units, occupations, procedures, and individuals in pursuit of sources of competitive leads (Kiechel, 2010).

Corporate strategy is an action taken by an organisation to realize one or more of its goals in a bid to achieve superior performance (Thompson & Strickland, 2002). Pearce and Robison (2010) recommend that to increase the likelihood of triumph, a corporate strategy must harmonize with requirements in the competitive environment, make use of contemporary and emerging opportunities and lessen the effects of major threats, placing realistic terms on the company's resources. Oliver Furrer (2013) stipulates that corporate strategy must be developed and acted upon to underpin set goals by a firm's business policy as a way of value creation.

A corporate strategy differs from a business strategy, which focuses on building a competitive advantage in the specific business or market of operation. It is in essence part of a corporate strategy. In this respect, a corporate strategy describes an organization's overall direction towards growth through its multiple business investments. In light of increased complexities in terms of uncertainties, corporate strategy helps to keep at pace with the business dynamic and fast changes, minimizes competitive disadvantage and competition.

#### 1.1.2 Barriers to Strategy Implementation

As difficult as strategy formulation may be, executing and trying to assimilate the strategy into the various organisation systems and processes is considerably even more difficult and for this reason an effective implementation process is required without which success of any business strategy is futile (Alu & Lie, 2014). Al-Ghamdi (1998) asserts that there are seven deterrents to the strategy implementation process key among them being misunderstanding of roles played in the execution process; obscurity of employee responsibilities; employee disinclination due to a lack of reward for the execution of plans; and employee misinterpretation of overall goals.

Real property is all the privileges, profits, benefits and drawbacks immanent in possession of material real estate, where real estate is land together with all enhancements that are invariably bound to it and all appetencies linked thereto (Robert & Johnson, 1996). Similar to other divisions, effectiveness of decisions in the real estate sector is subject to whether these decisions support the overall objectives of the enterprise for which the desired result will only be attained by bluntly considering the position of real estate strategy in relation to corporate strategy and sub-strategies for integral corporate elements and additionally examining the support role of precise real estate operating decisions in relation to real estate strategy (Nourse & Roulac, 2009).

Hewlett (1999) reveals that a competitive advantage by real estate companies can be achieved through formulating and implementing strategic plans following the purpose of the strategic planning process which is to give focus to the organisation and assess its performance averse to predictions, an activity involving four elementary steps; situation analysis, strategy planning, implementation and appraisal. Bergsman (2009) contends that since the 2008 recession that collapsed both the commercial sector and real estate market, the real estate sector has undergone dynamic volatilities. Its relevancy is therefore hinged on the successful implementation of organisations' business strategies.

#### 1.1.3 Real Estate and Property Firms in Kenya

According to the Economic Survey Report (ESR) which was released by Kenya National Bureau of Statistics in April 2018 the real estate sector has been contributing 8.8% of Kenya's GDP in the year 2017 despite the pressures of the general elections in August. In the last two decades, real estate in Kenya has grown exponentially due to a thriving middle class with higher disposable incomes. Nairobi, the capital and largest city in Kenya, accommodates sizeable expatriate factions in the continent precisely because of the notable extent of multinationals who have resolved to make Nairobi either their African hub or East and Central African focal point.

BMI Research, A Fitch Group Company, recorded an 8.7% growth in the industry at the close of the year 2017. A growth which is assumed to remain steady up to 2026 with an annual growth rate of 6.2%. According to Luesby (2014), markets in Kenya have been very lucrative especially for foreign investors because of good returns of 20-30%, which he argued are impossible even in the United States or European markets. Global real estate firms have invested a lot in high-end and luxury property markets targeting emigrants, envoys and rich Kenyans.

Globalization has allowed real estate investors to increase their depth of investment opportunities. Consequently, real estate development companies have come up and are carrying out housing/estate developments in Nairobi and its environs as well as in big towns like Mombasa. The companies range from small enterprises to very large ones who are developing self-contained satellite towns like Migaa, Tatu City and Thika Greens.

Furthermore, emerging trends in this sector are characterised by creative thinking where developers are frequently coming up with new housing designs and set-ups. Case in point, the concept of gated communities has moved a notch higher to Golf estates. There is also an unfolding growth of golf resort properties like Serigot in Eldoret, Rea Vipingo in Mombasa, Longonot Gate and Great Rift Valley both situated in Naivasha. This means that competing developers are coming up with upheavals in order to capture market share for the discerning home buyers.

However, a debate by stakeholders and analysts is becoming apparent on the driving force of this growth and whether it is sustainable. Nairobi's prime real estate value has grown by 25%, the highest in the country compared to other cities like Mombasa at 20%. These returns have attracted many investors to the industry resulting in an increase in the number of real estate firms setting up in Nairobi.

These firms range from small-scale local companies whose interests are managing existing properties to large international companies who have chosen Nairobi as their base to venture into the industry. Insurance and fund management companies have also set up auxilliaries that handle the real estate function of their portfolio (global property guide, 2018). Some of the real estate firms include Knight Frank, Hass Consult, Villacare, Cytton Investments, Ryden International, Llyod Masika, Homescope properties, Azizi Realtors, Homes Universal, Buyrent Kenya among others.

#### 1.1.4 Villa Care Company Limited

Villa Care Limited is one of the principal real estate services company in Kenya that was incorporated in under the companies Act Cap 486 in 1994. There are over 200 employees working across all departments in Head Office. The company's vision is to be the leading real estate services company in Kenya and the East African region. The company's mission is to provide the highest quality real estate services and advice with diligence, expertise and utmost transparency. The company focuses on offering property management, real estate consultancy and property marketing services.

These integrated services are for both commercial and residential properties to a diverse clientele. Effective strategies and marketing tools established through extensive research of the real estate market and customized to current market conditions are used to increase their market share (Villa Care Limited, 2018) As of 2018, the company has made its presence strongly felt in the Kenyan property and real estate market and can with certainty declare itself a market leader.

The firm offers a wide scope of real estate services, distinctly specializing in rental facilities, management and sale of up-market residential properties and a variety of commercial properties in Nairobi, Mombasa and East Africa as a whole. Wisniewski (2011) suggests that the activities transpiring in real estate are caused by varying catalysts, and these impulses are different contingent on the economic and financial condition of a given commonwealth/state.

Empirical evidence suggests that the real estate boom in Kenya is here to stay: there is a rise in demand generated by a flourishing middle class with accessible disposable emoluments and availability of mortgage services with appreciative interest rates. The current class of customers serviced by Villa Care are demanding grade infrastructure; well designed properties with value finishing and locations whose security is guaranteed owing to their capacity to make payments on higher costs directly related to better quality. All expectations the company strives to achieve. The customers' ability to pay is aided by the economic growth prevailing in the region over the last few years (Turner, 2013).

#### 1.2 Research Problem

Numerous organizations face outstanding difficulties with regard to the process of strategy application (Hrebiniak, 2006). As Noble (1999) notes, most institutions' "best-formulated strategies" fail to effect upper-level achievement for the establishment due to flawed execution. In their research, Bartlett and Ghoshal (1987) learned that, unanimously, in all the establishments they examined the concern was not deficient cognizance of domain influences or un-fitting strategic purpose rather their troubles ensued from figuring out the achievement of the necessary changes. Surprisingly, companies fail to administer about 70% of their contemporary plans (Miller, 2002).

There are numerous real estate firms in Nairobi competing for clients. Kenya's strong attachment to land and landed property has led to a rise in property prices in the last few years. Giant players like property developers in the sector have amplified their business scope to include products like design & construction, project management, sales and letting of complete units.

This has exposed all players to inelastic rivalry compelling them to not only come up with competitive market responsive strategies but also successfully implement them. Strategy coining and effectively managing these strategies has been seen as one way of responding to increasing uncertainty and complexity in the real estate business environment.

Various studies have been carried out internationally on obstacles that organisations face in the process of strategy implementation. In applied studies by Nnamdi (2016) on investment in an emerging economy within the Nigerian context and Geovana (2017) on strategic change in the BRICS context, an analytical study by Albrecht (2017) on national-level tourism in New-Zealand and descriptive research by Nour (2013) among NGOs in Somaliland, the findings were that among the factors that hinder strategy implementation are market transparency, coordination, availability of resources and political risks among others.

Local research related to strategy implementation challenges include a descriptive study by Ochieng (1998) among commercial banks, an analytical study by Nyandiere (2002) on ERP systems, descriptive research by Okuto (2002) among large manufacturing firms in Nairobi and a basic study by Oloko (1999) on TQM in the banking sector which all depict that multiple factors hinder the successful implementation of strategy key among them being communication, resistance to change and mismanagement of resources.

Obviously, there is an apparent limited literature on the barriers to corporate strategy implementation. Theoretical investigations on strategy implementation and empirical studies on the success of the aforementioned have mostly been carried out in the developed world (Okumus, 2001). In the opinion of Aldehayyat and Twaissi (2011), there is inadequate and rather inconclusive literature addressing the linkage between strategy implementation and firm dispatch in Africa.

Additionally, most of the literature that exists has focussed on financial performance measures (Kargar & Blumenthal, 1994). However, Qi (2010) posits that it is not enough to analyse a firm's accomplishment using financial outputs alone in view of the fact that the environment in which firms operate is quite dynamic and ever changing. It is therefore of great interest to all scholars, policy makers, managers and other stakeholders to know from empirical research the barriers to corporate strategy implementation faced by real estate institutions in Kenya, given its role in national development and achievement of Vision 2030.

In this respect, none of the previous studies have examined this specific problem area. Consequently, this review is aimed at filling the obvious gap in existing literature by attempting to answer the subsequent research question: What are the barriers to implementation of corporate strategy among real estate companies in Kenya?

#### 1.3 Research Objective

To explore the barriers to implementation of corporate strategy in Villa Care Company.

#### 1.4 Value of the Study

Strategy accomplishment and failure continues to trouble organisations despite the extraordinary advancement in strategic management. The findings of the examination are assisting the management of Villa Care Limited as well as other real estate organizations to address various strategy implementation issues that affect the real estate industry. The management is likewise able to help others in similar circumstances.

The study is useful to the Construction Authority of Kenya and other government ministries in formulation of policies and regulations. For the CAK the findings of this study are a tool in advising real estate companies on wise strategic implementation decisions, as a result, set the companies on the global competitive map. This is made possible by putting greater prominence to the correspondence between real estate activities and the production of specific urban forms.

Current and potential scholars in both the private and public precincts can adopt this study as an empirical source of information to guide future studies on strategy implementation. Researchers may also play a role in input to the general mastery in the broad area of strategic planning and execution, thus not only enhancing understanding of barriers to strategy implementation in real estate companies but also enable the development of interest in further areas of research.

This thesis is contributing to the underlying theoretical foundation by indicating how the academic progression of this sphere of exploration has evolved continuously over time. The discovery of possible linkages among the different perspectives of strategy implementation adding to the theoretical foundation by creating hybrid approaches such as the cognitive and implementation approach. In the advanced and supplementary activity-based paradigm, strategy is regarded as a consequence of multiple manoeuvres, and is executed through varied strategic tasks.

#### **CHAPTER TWO: LITERATURE REVIEW**

#### 2.1 Introduction

An appraisal of the written works by various scholars, researchers and authors on barriers faced during the strategy implementation process by real estate companies is presented in this chapter. The section discusses models related to the study. Relevant literature is also appraised to identify knowledge gaps. The text review will inform the application and relevance of the research findings. This chapter scrutinizes pertinent abstract frameworks that impart to barriers to corporate strategy implementation and admissible empirical literary texts. It covers the hypothetical compositions and the factual assessment on the strategic management processes. The last section covers the knowledge gap.

Strategy may be defined as a well designed chain of actions, in conjunction with discrete methods, tools and techniques to attain a conscious change or goal all the while utilizing the available capital within a precise frame of time. This study is anchored on the following theories; i) Social Cognitive Theory, ii) Resource Dependency Theory, iii) Institutional Theory. The general observation of frameworks for strategy application is that the game plan itself or its formulation is often not included in the system. Majority of the literature confirms this position. The authoritative perception in strategy enactment remains that strategy formulation is viewed as an unrelated step to strategy implementation. However, recently, it is increasingly accepted that strategy formulation and implementation are entwined operations.

There are three models of strategy; linear strategy, adaptive strategy and interpretive strategy. The linear approach to strategy centres on forethought (planning) where strategy is made up of desegregated settlements and moves set out to attain practicable organisational goals. The adaptive outlook corresponds to the notion of incrementalism. Here, the concern and its fragments change, proactively or reactively, so as to be aligned with market inclinations. Finally, the interpretive approach like adaptive strategy sees the organisation and its environment as related but also defines strategy as frames of reference that allow this relationship to be understood by organisational stakeholders.

#### 2.2 Theoretical Foundation

Cooper and Schindler (2011), defines a theory/conjecture in terms of interrelated ideas, propositions and definitions that explain or predict a phenomenon/situation. The main essence of conjecture/theory is thus to dispense an account to both observed phenomena and tentative reality (Kerlinger & Lee, 2000). The theoretical framework underlying introduces and describes the collection of unified concepts, definitions and premises that offer a methodical stance on phenomena (Bull, 1991). The following are the theories that provided the basic theoretical foundation for the research; Social cognitive theory, Institutional theory and Resource dependency theory.

#### **2.2.1 Social Cognitive Theory**

Niven (2002) posits that even for the best organisations, it is very difficult to implement strategy and has identified some of the barriers to strategy implementation as company vision, people resource factor and management. An unawareness of the overall organisational vision gives rise to the vision barrier. The argument presented here is that only about 5% of the workforce understands the strategy.

Most organisations have assumed vision statements to liaise their foundational moral codes and goals to their respective members of the workforce. Ahmad, et al. (2005) describes a vision as an affirmation of core beliefs and the identification of select markets and elemental products. Vision statements are plotted to not only be inspirational but also yield enthusiasm throughout the organisation entirely.

Birthing the vision statement is generally considered the beginning of strategic designing (Misankova and Kocisova, 2014). The difficulty in the operationalization of vision statements in practice is often brought about by the disconnect between the words on paper and the day-to-day actions of employees as those required to implement the strategies more often than not do not understand the vision and strategy (Ahmad, et al., 2005). The vision barrier therefore arises when vision and strategies are not explained to other organisational staff in a way they can comprehend (Abuya, 2014).

The people barrier, as described by Niven (2002) estimates that the rate of administrators whose exclusive aims and motivations are linked to policy is only about 25% with most incentive remuneration procedures tied to short-term monetary consequences rather than long-term advantages that reinforce strategy execution. This is an indication of the direct link between employee incentives and victorious strategy application, consistent with the strategy implementation framework by Okumus (2003) which recommends incentives as a salient consideration to guarantee a positive result in the process of strategy implementation. In essence, therefore, the people barrier suggests, the people in charge of the strategy implementation process will not necessarily care about the future, or the long-term gain of the strategy unless their immediate personal objectives are also put into consideration.

#### **2.2.2 Resource Dependency Theory**

The resource-based view (RBV) focuses attention on the firm's assets as the rudimentary determinants of a fierce upper hand and achievement. It presumes two presuppositions in examining origins of aggressive advantage (Peteraf and Barney, 2003). Selznick (1957), who coined the notion of distinctive competence, centred the idea of commitment around his theory.

His contention is that the company assembles the resources that provide it with unique capability such as skilful and devoted personnel, an acclaimed reputation, a robust culture, or nurturing external relationships exclusively by making irrevocable obligations to specific goals, policies, structures, and standards. In regard to the resource barrier, Niven (2002) notes that 60% of organisations do not link financial estimates to strategy. The resource barrier arises as a result of having insufficient resources to execute the strategy.

Following this assumption, it is evident that in most businesses the budgeting and strategic design functions do not interact and for this reason allocation of human and financial resources may fall short of the strategic plans and strategic initiatives. The essence of environmental resource dependency perspective is that higher-level organizational performance is a consequence of managing dependencies and uncertainties. Choosing fitting strategies in which to affect and thereby mange the environment to its advantage should be a deliberation in strategic decision-making.

Resource dependency theory provides an external perspective with regard to the organisation. Effective use of environmental scarce resources such as labour, capital and raw materials cannot be substituted for anything else when it comes to priority plans. It is therefore management's responsibility to allocate resources to their most important tasks while integrating and coordinating actions of participating staff and function (Pryor et al., 2007).

Owing to the fact that these resources are possessed by others, the organisation has no choice but to interact with external stakeholders who control them consequently creating a dependent relationship. The more the interactions undertaken that create dependency the more the assurance of access to these resources and vice versa (Pfeffer and Salancik, 2003).

#### 2.2.3 Institutional Theory

The premise of institutional theory is the behavioural patterns of an organisation and how its internal challenges affect strategy implementation. It provides procedures through which structures become authoritative guidelines for social behaviour. According to institution theorists, Meyer and Rowan (1991); DiMaggio and Powell (1983) institutional settings, more often than not, largely shape the advancement of formal constitutions in an organisation frequently more intensely than market dynamics and pressures. Institutional theory defines appropriateness and legitimacy (Scott, 2007) and leaves other discharge actions outside consideration (DiMaggio and Powell, 1991). This definitely affects how organisations make decisions especially with regard to strategy implementation.

Brinkschröder (2014) suggests that ineffective communication is one of the most significant barriers to strategy administration and therefore through organisational streamlining its functionality can be enhanced to allow for complete disclosure of organisational undertakings. Gavurová (2010) lists communication of strategy throughout the entire organisation as one of the principles that could help attain constructive enactment of strategy. She continues to say that members of staff are not necessarily inclined to comply with the institutional changes that go together with the application of strategy but with effective communication the daily activities of employees could be influenced.

In this respect, management's task is to ensure that this communication takes place between themselves and all stakeholders. Sparseness of communication has been cited as a hindrance to strategy implementation in various organisations. The argument, therefore, is that between the idea of strategy alignment and the reality of its implementation lie many difficulties, lack of proper communication being one of them (Eisenstat, 2002).

This notion thus equates strategy implementation to the communication of a well conceived strategy for which a lack of the latter determines the nature of the former. Findings on a case study of a Norwegian ferry-cruise company to pinpoint barriers to successful strategy execution revealed that shortcomings of the planned strategic objectives could be attributed to communication problems influenced by the organisational structure (Heide, Grønhaug, & Johannessen, 2002).

#### **2.2.4 Human Resource Development Theory**

According to Swanson and Holton, (2009), human resource development, through institutional development and personnel training and development is defined as a process of developing and unleashing human potential expertise so as to improve performance. Performance entails the concern, work process and worker or group levels whereas training is the process of methodically administering institutional change in order to get better results.

The core beliefs of human resource development are three, namely; that organizations are human-made bodies whose goal establishment and achievement relies on human expertise; secondly, that human resource development ensues and develops the latter and done with the interactive short term and long term conveniences in mind for both the conglomerate and the persons involved., thirdly, that the representation of advocates of individual or group work processes and organization integrity is through professionals (Nadler, 1970; Ruona & Gibson, 2004; Swanson & Holton, 2009).

The operationalization of human resource development is anchored in three theories namely; the economic theory which, anchored on the need to meet productive goals in a competitive environment, captures the core issues of the efficient and effective utilization of resources; the systems theory, based on the complexities and dynamism of the interactions of the environment, the establishment, work process and group or person(s) operating at any point in time; and finally a look into developing human resources and the analysis of the socio-technical interplay between people and systems by the psychological theory (Ruona & Gibson, 2004).

The human resource development theories and components are likened to a three-legged stool where the legs are the components and the platform represents their full amalgamation. The stool rests on the floor which represents the organization which in this study is the real estate company Villa Care Kenya. In this study the components are capacity, training and motivation that improve implementation of strategies in real estate companies in Kenya.

The real estate companies operate in a very dynamic environment. The open systems theory has been highlighted in this section of this study. Achieving successful strategy implementation in the real estate companies means that managers and supervisors must be well trained and take ownership of the strategy to get the desired results of the company, in terms of profitability, increased sales, and turn over.

#### 2.3 Strategy Implementation in Private Organisations

However well formulated, a strategy not acted upon is considered as useless as having no strategy at all. The implementation of strategy refers to the act of translating a preferred game plan into organisational effort so as to attain the set strategic ends and desires. A study by Hrebiniak (2006) recognizes that however difficult a task consistent strategy formulation is for management, actually bringing that strategy to life or administering it throughout the establishment is considerably more burdensome.

This is especially true for private organisations that more often than not have considerably less resources compared to public organisations. Niven (2002) further states that it is one thing for management to position itself and craft what is supposedly a fetching master plan in a strategy execution process, but successfully implementing that strategy is another challenge all in itself.

Various empirical studies suggest a relationship between organization structure and the successful strategy implementation in both a local and global context. Njanja & Pelissier (2010) in an enquiry of 176 small and medium enterprises looked at the effect of planning on performance and established that although strategic planning existed in most firms, there was need to operationalize the plans through adequate resource allocation. The study, however, did not establish the influence of strategic planning and execution as well as the value of small and medium businesses in the field of strategic management.

Disregarding employee input during the formulation of strategy can give rise to problems during the strategy implementation process. A study by Niven (2002) showed that only 25% of administrators in private organisations have individual ends and motivations linked to policy with most incentive remuneration techniques tied to short-term budgetary ramifications rather than long-term initiatives that aid plan execution, a situation that puts employees' concerns out of strategic plans.

People will not completely support the implementation of strategic initiatives when they have a feeble and/or nonexistent level of engagement as employees (Harter, Schmidt, Asplund, Killham, & Agrawal, 2010). Employee engagement is thus, the relationship between an individual and the organisation for which they work (Mirvis, 2012). This is not to say that there will not ever be conflict between the employees and the organisation, rather that even amidst a disagreement, employees trust and value the relationship they have with their employer (Welch, 2011). Employee neglect may lead to lack of buy-in of strategic plans by these employees (Cepa, 2015).

#### 2.4 Challenges of Strategy Implementation

Strategy execution is management's act of diffusing a game plan into a user faction (Kwon and Zmud, 1987). For any triumph in strategy execution, devotion by executives is assumed to be crucial (Wixom and Watson, 2001). Multiple examinations have been done on the effect of executive dedication on the consequences of strategy implementation processes.

The findings are that top management's commitment significantly affects user beliefs (Lewis et al., 2003), operational success in implementation (Wixom and Watson, 2001), growing use of systems, and organization-wide strategy adoption (Bruque-Ca´mara et al., 2004). One of the major issues noted by Hrebiniak (2006) that impedes strategy implementation is organizational change. He notes that managers are repeatedly instructed to plan rather than execute policies; the top administrators are therefore always reluctant to partake in the chaotic mission of execution.

Strategy implementation inevitably brings about the demand to govern change in composite operational contexts (Kazmi, 2008). Notably, considering the behavioural nature of many of these areas of change, they are thus not only multifaceted but also chaotic. Organizational behaviour literature presupposes organizational culture as being directly linked to organisational change. However, it is agreeable to state that a set of values, beliefs, and behavioural sequences that forge the fundamental identity of establishments and that help in moulding worker's behaviour is what explains organisational culture (Rashid et al., 2003; Pool, 2000).

Organizational culture rather than just being values, convictions and exploits are unifying plans that are learned, aggregated and shared among groups and internalized by organisational members only. In turn, new employees are schooled on these facts as the true way to not only think but feel in relation to problems to create new paradigms. As stated by Chandler (1996), structure follows strategy. This notion has brought about scrutiny in the connection between strategy and company facets such as structure.

The interconnection between strategy and operational aspects has quintessentially been described in a sequential model; Syndicates decide on a particular approach and subsequently implement proper organizational functions such as systems, structures, processes and rewards that support policy (Govindarajan, 1988). The positive outcome of any grand design is hinged on its fit with a given organizational structure (Chandler 1962; Paterson, 1988).

Changes in the way an organisation is structured often follow change in strategy in view of the fact that structure stipulates how objectives and policies are organised and how assets are allocated (Sababu 2007). Highly tangled an issue has the identification of strategy implementation supporting structures been. The strategic component to focus on or the lack of consensus on what strategy to go by may be in essence part of the problem.

#### 2.5 Empirical Studies and Knowledge Gaps

Evidence from written works on strategy implementation lead to the belief that there are two overall reasons why a plan or strategy can fail: the inadequacy of the strategy itself or its improper implementation (Ashkenas & Francis, 2000; Beer & Nohria, 2000; Jonk & Ungerath, 2006; Raps, 2004; Atkinson, 2006; Speculand, 2014). Most studies on strategic management have been carried out on strategy formulation but less attention has been given to strategy implementation (Raps, 2004; Amrule, 2013; Okwach, 2014). Where available, most analysts have focused on application of strategy in the western developed countries and less in the developing and least developing countries such as Kenya.

Schmidt (2006) explored the roles of resourceful leaders in initiative performance where fixed changes were planned. The most triumphant administrators, already with business models in hand, directed the aforementioned towards specific changes and products with few generic components. Not only did these managers apply efficient business sense to crucial parts of the system but also achieved a balance between integration and isolation (spin-offs) of resources, in a loosely coupled disposition that did not cripple innovation and dedication to the initiative.

Research findings showed that the success in strategic initiatives was somewhat dependent on a formidable management culture that appropriately re-focused organisational resources. Ochanda (2010), in an empirical study at the Kenya Industrial estates limited on challenges of strategy implementation found that restrictive regulations and policies under which state corporations operate amplified the challenges encountered by the organizations.

State corporations operate in an unpredictable, less stable complex environment. The state corporation operate in an environment that is guided by government policies, regulations and standards and do not operate strictly and as freely as the private sector. This makes it difficult for KIE not to operate competitively and focus on profitability. Seemingly the same does not apply for largely privatised real estate companies in Kenya, which this study is considering as a unit of analysis.

A review by Muli (2008) on the challenges affecting the application of strategy in public corporations with a focus on Telkom Kenya Ltd, revealed that the external operating environment posed the biggest threat to successful strategic performance of the company. Among the major obstacles to strategy implementation were industry forces characterised by powerful buyers, powerful suppliers and intense competition from rival firms. The turbulent nature of the external environment also presented other hurdles in the form of immensity of the barriers to entry, the industry vulnerability to substitute goods and services, increased supplier concentration and an increase in the rate of industry utilisation of production capacity.

In a descriptive study by Omwono (2015) focusing on the examination of the performance of constituency development fund projects together with established measures and in relation to challenges of strategy execution, cultural receptivity, structural factors, communication and leadership were identified as the biggest obstacles.

To allow successful implementation of Constituency Development Fund projects, the study recommended the need for management to develop an organizational culture. A major limitation following the study, however, was that application of the prescribed recommendations on other constituencies with similar challenges would not necessarily guarantee success.

#### **CHAPTER THREE: RESEARCH METHODOLOGY**

#### 3.1 Introduction

An outline of the methods that were used in this research is discussed in this chapter. It covers the research design, methods of data collection and concludes with the analysis of data and the methods of presentation that were used in the examination. This review only focused on the execution phase of the strategic management process. This centre of attention was so as to get the most unambiguous presentation of the paradigmatic movement within this field of study.

There are two philosophical orientations to research: Phenomenological (qualitative) and positivist (quantitative) orientations. According to Saunders, Lewis & Thornhill, 2009; Morgan & Smircich, 1980), both outlooks are contingent on the nature of the phenomenon under investigation. The phenomenologist anchors on the immediate experience. Phenomenology is an inseparable part of ordinary experience.

The phenomenological researcher is open and trusts his experience. Phenomenology has the advantage of providing an account of unique human characteristics and gives more acclaim to cognition. In pursuit of an effective understanding of human behaviour one must enter the mind of the individual which is rarely value-free in content or motivation.

### 3.2 Research Design

Burns & Grove (1997) states that the design of any research or study is the last part result of a chain of decisions that the researcher makes/made relating to how he or she conducted the study. The adoption of a case study design was the premise of this research to identify barriers to corporate strategy implementation in Villa Care Company Limited. Ngechu (2004), affirms that the usefulness of a case study design becomes apparent following the need for an in depth investigation of a phenomenon, an individual, group or institution.

A case study is typically the empirical examination of a contemporary issue or phenomenon in its real-life environment especially if the precincts between the context and phenomenon are not clear (Yin, 1984). To further exemplify, Bourgeois (1980) asserts that of importance is consensus on means rather than ends, whereas Hrebiniak (1982) counteracts by claiming a direct relationship between aggregate strengths and weaknesses and performance is more important. The case study approach was preferred because it covers an extensive investigation of the organization in question.

The study involved an exhaustive understanding of the barriers to corporate strategy implementation in real estate companies in Kenya. Ngechu (2004) emphasizes that a case study, ordinarily involves qualitative data. The design was valuable for a comprehensive contextual analysis. Villa Care Limited, one of the leading real estate companies in Kenya was used as a representation of the Kenyan real estate sector.

### 3.3 Data Collection

On the authority of Oso and Onen (2011), anything given or admitted as a fact on which a research inference is based upon is data. According to Cooper and Schindler (2011) and Mugenda and Mugenda (2012) the tools and procedures used in the measurement of variables in the research process are the data collection instruments. The researcher used, as the primary data collection instrument, an interview guide. Open-ended questions are what composed the interview guide and were aimed at obtaining information relevant to this study.

Cooper and Schindler (2003) argue that the usefulness of an interview guide is in directing the researcher relative to the topic under study. It aids in knowing the questions to ask, the order in which to ask them, how to present the questions and thereafter deliver follow-ups. The interview guide was particularly helpful in extracting the stories behind each correspondent's experience in relation to the topic comprehensively. This viewpoint to map the conceptual evolution of strategy execution made use of groupings of authorities in this area of research to get their opinion.

Respondents considered to be key informants included 4 senior managers at Villa Care Kenya. These were the Marketing and Communications Manager, Head of Portfolios, Digital Marketing Manager and Project Manager. The questions asked were open ended to ensure answers which were relevant to the objective of the study. Secondary data was collected using previously documented audit reports as well as data drawn from internal circulars, Journals, newsletters and articles written about Villa Care Kenya.

### 3.4 Data Analysis

The analytical methodological application in the analysis of the qualitative data was content analysis as appropriate for the study. Content analysis refers to the systematic and qualitative description of communication artifacts of a study or research (Hsieh and Shannon, 2005). It involves making replicable as well as valid inferences by proper coding and interpretation of textual materials. The analysis of the information or data obtained from the interview guide was done qualitatively. Qualitative data are verbal descriptions and/or measurements with nonstandard scales (Ngau & Kumssa, 2004).

The analysis of data is basically an activity involving the examination and interpretation of the data obtained from the field or research. The process sought to establish the barriers to corporate strategy implementation at Villa Care Company Limited. The essential steps in this analysis consisted of the identification of the issues, the determination of the existence of proper data or information, methodology appropriateness for providing remedies to various research questions, the applications of the selected methods and the evaluation, summary and communication of results.

More prominence was on assessing the validity and reliability of the collected data. Validity refers to the precision and accuracy of a research while reliability refers to the level to which an experimentation instrument reproduces the same results when used more than once (Schmidt and Hollesen, 2006). Reliability measures the level to which an idea, measurement or conclusion is admissible and is in harmony with the real world accurately. The validity and reliability of the findings in this investigation was discussed throughout.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

Data analysis, research results and discussions on the study results are covered in this

section. The data collected from primary and secondary sources in this section will

describe how Villa Care Company Limited undertakes the process of implementation

of strategies, discusses the findings on challenges faced during the implementation

process and actions undertaken by the company to relinquish hurdles that impede

strategy implementation.

The primary data was gathered from the interviews of four chosen higher-ranking

managers that represented experts. These included the Marketing and

Communications Manager, the Head of Portfolios, the Digital and Marketing

Manager and the Project Manager. All respondents provided full organizational data

which constituted a response rate of 80%. Secondary data was acquired from books,

memos, Villa Care Company reports and journals.

The data was analyzed using qualitative data analysis mainly involving making

inferences by identifying characteristics of the messages and grouping them into

themes. In addition, this section will aid in answering the research question: what are

the barriers to corporate strategy implementation in Villa Care Company Limited?

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### **4.2 Demographic Characteristics**

The respondents were individuals who hold senior positions in the organization. According to the data findings, all departmental functions represented by the respondents were directly and actively involved in the process of administering strategy. This, however, does not take away from the fact that strategy implementation is considered as a company-wide affair and all stakeholders are involved.

Further, of the four respondents, two had more than 5 years working experience as senior managers at Villa Care Limited. The other two managers with less than 5 years in their current managerial positions each had 3 years working experience, however, held other departmental senior positions prior to their current ones. Specifically, the role of senior Marketer by the Digital Marketing Manager and Sales Executive by the Marketing and Communications Manager.

Upon completion of the interviews, a coding framework was used to label, compile organize and sort the data. The researcher transcribed the in-person interviews into electronic format for open coding. Marginal remarks were made on the interview guide. The codes were organized into similar categories and the following themes emerged: leadership, resource allocation, organizational change, organization structure, organization culture, motivation and communication.

### 4.3 Implementation of Strategic Objectives

Referencing the question regarding who within the organization is responsible for the implementation of strategic plan objectives, interviewees indicated that Villa Care Limited has a corporate strategic plan that includes a set of regional strategic priorities which are used for planning in Villa Care Company's operations. In addition, they confirmed that everyone in the organization is an industrious contributor to the implementation process to ensure the success of the organization in achieving its goals.

Villa Care Limited has made itself able to withstand environmental pressures through strategic positioning that ensures its continued success. A people driven strategy implementation process is evidence of that fact. This is done by including qualified people with characteristics demanded by a specific charge or function along with the skills, capabilities, experiences and attitudes.

The respondents alluded to the importance of everyone's role within the organization so as to foster responsibility and accountability. They stated that management's role in this respect is to ensure participation company-wide. In addition, they highlighted that employee involvement, communication of change, follow up, innovation, culture, accountability of employees, empowerment are some of the factors that influence success of implementing strategic objectives within their departments.

### 4.4 Barriers to the Strategy Implementation Process

The stages of execution of strategy at Villa Care Limited include a preliminary SWOT analysis which focuses on comparative evaluation between strengths and weaknesses and opportunities and threats. Using the firm's values, they are able to determine courses of action, possibly via scenario planning, and select accordingly in relation to likelihood, possibility, attractiveness or threat level.

Resource allocation and distribution, job descriptions and responsibilities and development of incentive structures kick-off the implementation process. Finally, strategic control follows suit where the implementation process is checked to see if expectations match the reality and if the outcomes are actually those that are sought. Further control measures involve checking whether the premises used during the SWOT analysis have changed requiring revision of the entire process.

The study also indicates that there is awareness and involvement of all personnel in the implementation of a new strategy. Management makes the requisite moves to institute positions in divergent businesses and seeks to achieve a targeted kind of diversification. This section outlines the findings on the barriers to strategy implementation identified as the following: organizational leadership, availability of resources, organizational culture and organizational structure.

### **4.4.1 Resource Availability**

The interviewees were asked if budgets were a priority during the implementation process. All agreed that budgeting is important within Villa Care Company to enable the organization plan for funds that will support operations. The study found that Villa Care management reviews plans and the budgetary requirements in May of each year after which Villa Care Executive Committee approves the budget. One manager mentioned that resource allocation allows for strategy execution and that the organization has strived to ensure it has adequate resources to meet operational expenses.

Further, respondents were asked to explain the role of agents during the implementation process. The response was that agents monitor funded projects to enhance quality and accountability of investments in real estate projects. According to the findings, the organisation must interact with external stake holders that control the resources consequently becoming more dependent on its external environment.

It was noted that there were four factors relating to resource availability that affect strategy implementation at Villa Care Company: Inadequate funding amidst growing need for property development; Limited financial resources in planning for future real estate demand; Agent fatigue; and Earmarked funds. When urgent needs exceed regular budgets, local real estate companies rely on foreign contractor organisations to fill the gaps. This strains the strategy implementation process further diminishing current funds and ability to exploit future opportunities.

It was noted that some agents do not fulfil contract expectations resulting in agent fatigue or lack of accountability and oversight. Furthermore, some agents earmark funds available that meet their specific interests rather than Villa Care Company's interests. One respondent mentioned that the agents select the best projects to achieve the highest possible impact on the beneficiaries.

### 4.4.2 Organizational Leadership

The interviewees were asked to explain their role in strategy execution within their departments. From the responses, the interviewees mentioned that leadership within the department was a key driving factor towards getting things done and converting work plans into actionable results. One respondent mentioned that he does not only supervise but also guide and instruct the subordinates on how to perform work effectively and efficiently.

The study found that there was adequate leadership from the management team within their units who encouraged staff to adopt the strategies as well as provided motivation to ensure strategy implementation was a success. However, it was noted that sometimes the managers lacked enough time to explain and communicate the strategies involved to staff. The social cognitive model (theory) offers a viable explanation as to how individuals attain and sustain specific behavioural attributes and patterns as a result of the influence from environment, people and behaviour.

From the collective shared views obtained from the respondents, the researcher has identified four recurrent factors viewed as obstacles to strategy implementation at Villa Care Company Limited: Limited opportunity for growth; Nature of short-term contracts; Cutting of positions; and strict administrative requirements to develop. According to the study, employees are unable to meet their individual goals such as job security, make long term plans, improve motivation and achieve job satisfaction as a result of the factors mentioned. This affects strategy execution at Villa Care Company Limited.

### 4.4.3 Organizational Structure

In determining how organizational structure is instrumental in the success or failure of the strategy execution process the interviewees stated that frequent position cuts, reduction on salary schemes and benefits as well as reduction on length of contracts interfered with the implementation process of strategic objectives causing panic among staff relating to career uncertainty. They said that this interference came from poor creativity, lack of innovation and motivation from staff. In addition, there was poor communication from regional sub offices in requesting support of experts from headquarters.

Additionally, respondents were asked how policies and procedures affected implementation. They mentioned that discussions on standard operating procedures regularly with staff during all staff meetings ensured that they remained relevant hence consistently applied during implementation of strategy. The interviewees confirmed that developing of a training programme on policies was important to create awareness for employees to possess skills in implementing strategic plans.

In determining what mechanism Villa Care Company put in place to ensure smooth process of strategy operationalization, institutionalization and control, all interviewees confirmed that there were monitoring and evaluation mechanisms used to ensure that plans put in place are achieved. One interviewee said that the company makes use of indicators that map various conditions at the country level hence improving implementation of projects.

The interviewees stated that annual objectives and resource allocation were the tools to accomplish plan operationalization. However, it was agreed that structure, leadership and culture provided long term means of institutionalizing strategy. One respondent said that detecting problems and making adjustments controlled the strategy implementation process ensuring that strategy management processes are appropriate, compatible and are functioning properly.

On the challenges that emerged which were not anticipated during strategy implementation, the interviewees stated that political pressures, emerging labour laws, insecurity, poor infrastructure, agent fatigue, exchange rate loses, poor communication, uncontrollable factors in the external environment such as industry factors affected implementation of strategies. One interviewee gave a case in point of political influences stating that while some projects get off the ground, construction costs remain high. In most cases they have to service the land, something that the government should do before developers move in. This is a major obstacle in the implementation of already established plans.

In response to the question on what measures should be put in place to deal with barriers to strategy implementation, interviewees proposed that Villa care Company Limited should promote raising awareness to have and think strategy, changing the mindset in terms of sustainability, invest more time in training and empowering people, have consistency in funding and ensuring that Villa Care Company plans for longer periods.

### 4.4.4 Organizational Culture

The investigation continued to determine how culture presents as a challenge to the application of strategy. According to the interviewees, employees fail to comprehend the culture of the concern resulting to a failure in the implementation process. One respondent said that a culture of team work, unity, commitment, cooperation and partnership among Villa Care Company employees has enabled them support the success of implementation of strategic plans.

It was noted that the culture of resistance to change interfered with implementation of strategic objectives when new technology was introduced to the organization. It was found that the organization procures and uses latest information systems that facilitate the monitoring and implementation of strategic objectives. However, employees fail to embrace or adopt a culture of reading in order to gain skills that are required to handle the new technology such as how to use MSRP system or Focus that would ensure success of strategy implementation.

The respondents indicated that the culture that prevailed in the organisation was not supportive of the strategy. Both the management and the staff were lethargic, and were not result oriented. Generally, complacency prevailed in the organisation. The implementation of the 2015 - 2020 strategic plan saw drastic changes to the culture. The respondents confirmed that attitudes changed and the staff recognized their responsibility, accountability and their role as process drivers. The staff became result oriented. The vicious cycle of poor performance transformed to one of improved performance.

### 4.5 Discussion of Results

The analysis of the themes of the study assumed a more comparative nature, given that the interviewees were able to identify similar and differing dynamics in the different contexts observed by other studies on barriers to corporate strategy implementation. According to research by Rapa and Kauffman (2005) top managers demonstrate loyalty to the implementation process. The interviewees presupposed that structural organizational changes, changes in the reward systems, technology or tasks would modify certain organizational aspects before they can get institutionalized successfully.

The researcher asked a question on whether the respondents faced any problems while executing strategies. Three of the interviewees cited a great deal of problems while one manager did not conform to referring to these issues as problems, rather minor setbacks. This finding is in tandem with the finding of Baroto, Arvand and Ahmad, (2014) and Johnson (2004) who assert that strategy success may only be in 25% of the cases and according to Kaplan and Norton (2006) strategy success may only constitute between 10% to 30% of all cases.

Moreover, only 5% of staff realize their organisation's strategy, 66% of corporate strategies are never implemented and often strategic failure is usually as a result of ineffective strategy application. Mankins and Steele (2005) posit that the achievement rate of success of financial objectives envisioned by companies is only 63%. According to postulations by McKinsey's 7S model: strategy, structure, staff, systems, skills, style and shared values, the interconnections clear the way for organizational change and progress, (Baroto, Arvand & Ahmad, 2014).

Managers have to visualize the key components in order to successfully implement a strategy (Pearce & Robinson, 2011). According to the framework, after the strategy is formulated managers have to pay attention to the six components to ensure effective implementation: systems, organization structure, strategy, style, shared values, staff, skills (Peters & Waterman, 1982). However, the current thinking is to look at both formulation and execution as intertwined processes. This implies that real estate companies need to focus on the systems, skills, staff motivation, the rewards systems as well as structure of the organisation when facilitating organizational change.

The researcher sought to find out from the respondents on factors that they felt hindered the implementation of corporate strategy in the company. The findings revealed that all respondents felt that inadequate resources were a major deterring factor in the implementation process. Dysfunctional communication, resistance to change and inadequate employee involvement in strategy planning and implementation as well as leadership problems in terms of frequent interference from external leaders were also cited as obstacles in the process of corporate strategy implementation in Villa Care Limited.

## 4.5.1 Qualitative Data Analysis of the Effect of Resource Availability on Corporate Strategy Implementation

The study revealed that resources were not necessarily fairly distributed for good strategy implementation. This implies that sometimes resources in private companies just like in public corporations in Kenya are prone to manipulation from unwanted quarters. This leads to deviations from strategic investments and realization of the envisioned results. This could explain why the frequency of change of CEOs is relatively high among private companies including real estate companies.

Allocation of adequate resources to employee development is also important for strategy implementation. Three of the interviewees were in agreement that adequate resources were allocated towards workforce development. The rejection of that fact by one of the interviewees implies that there is need for additional resources to be allocated towards training services which empowers employees.

This finding is corroborated by Wario (2011) who argues that because true empowerment can give employees a sense of ownership in the overall aim of organizational knowledge management, employee empowerment is a key factor in knowledge management success. This finding is also consistent with the findings by Ragui (2013) in a study of the challenges hindering success of tour businesses owned by local business people in the tourism industry in Kenya, found that resources/funds availability or lack thereof was a key challenge in strategy implementation.

The results concur with the findings by Boxall and Purcell (2003) that the advantage human resource can be unearthed by placing the right people in the right jobs in an organization. It also corroborates the finding by Becker, Huselid, Pickus and Spratt (1997) that a work system, aimed at being high performing takes into account the factors affecting individual performance such as recruitment procedures, motivation, training and can definitely guarantee good outcomes. Successful work outcomes are derived from having people with the right skills required for the job(s).

## 4.5.2 Qualitative Data Analysis of the Effect of Leadership and Core Values on Corporate Strategy Implementation

The study results revealed that value based leadership was deemed important in the process of successful corporate strategy implementation. This finding is corroborated by Pearce and Robinson (2012) who posit that organizations have developed core values that guide the decision making and practice of management as well as how employees interact intra and extra with the outside stakeholders. Others go an extra mile and develop specific guides for leaders and refer to them as Leadership Principle, for example, Compassion International (American Christian Non-Governmental Organization), whose board developed 12 leadership principles that guide decision making and how leaders conduct themselves.

McChesney and Covey (2015) indicate that strategy execution should be based on disciplines that work, not practices, because practices can be situational, somewhat subjective, and always evolving while principles are timeless, self-evident and apply everywhere just as in laws of nature like gravity. The principles of strategy execution are focus, leverage, engagement and accountability (McChesney & Covey, 2015).

Organizations with leadership principles practice servant leadership, improve employee engagement and lead to the growth of the whole person. This study corroborates a review by Joostie and Fourie (2009) which examines the role of strategic leadership in effective strategy administration and established that strategic leadership plays a pivotal role in strategy execution. It indicated that strategic leadership determines the strategic direction of the organization in terms of strategy implementation.

Speculand (2014), observes that to conduct strategy implementation successfully, leaders should pay more attention to implementation as much as they do formulation, govern and stay committed to the process, adapt and amend the strategy and process as required, create the right conditions for the application of strategy and finally carry out follow-ups.

# 4.5.3 Qualitative Data Analysis of the Effect of Organisational Culture on Corporate Strategy Implementation

The study findings indicated that the themes that emerged in relation to organisational culture and how it affected successful corporate strategy implementation were complacency, resistance to change, company norms and beliefs, lack of creativity and innovative behaviour and lack of teamwork. This finding is corroborated by Chiuri (2015) who established, in an investigation geared towards the challenges faced by higher education institutions in Kenya during strategy implementation established that 65.9% of respondents indicated resistance to change as one of the major hindrances to the application of strategy.

The study insinuated that inculcating the culture of employee involvement in strategy formulation and implementation will result in employees developing positive attitudes and beliefs. This implies that real estate companies need to involve employees in both the development and enactment of strategies. Continuous awareness on the need for change and communication with the employees will minimize resistance to change. Additionally, there is need to encourage teamwork among workers and discourage procrastination.

These findings are consistent with the argument by Mauborgne (2015) based on the procedural justice theory, that a fair process in strategy execution involves the active participation of the employees, taking into consideration their ideas. In a fair process that encourages the recognition of individuals for their intellectual worth, these people become willing to share their knowledge and this in turn leads to them feeling emotionally tied to the strategy and inspired to work towards its formulation and execution, (Mauborgne, 2015).

### 4.5.4 Qualitative Data Analysis of Organisational Structure on Corporate Strategy Implementation

The analysis revealed that the company structure itself may be an obstacle towards successful strategy enactment. The findings of the study concur with the findings by Daft (2004) that formal job tasks division, grouping and coordination is defined by organisation structures. According to these findings, six elements to be addressed by managers in the design of their organisation structures are paramount. These are: centralization, decentralization, departmentalization, work specialization, span of control and the chain of command.

Management achieves its objectives through the organisation's structure. The results also concur with the findings by Wolf, (2002) that the success of an organisation's operational strategy is directly related to its structure. Similarly, the findings also concur with the findings by Clemmer (2003), Amrule, (2013), Chiuri (2015) and Kinyanjui (2015), that organizational structure shapes the performance of organizations.

Furthermore, according to Covey (2007) organizational trustworthiness requires both organizational character and organizational competence, i.e. alignment is institutionalized trustworthiness. That means that the very principles that people have built into their value systems are the basis for designing structures, systems and processes. That even if the environment, the market conditions and people change, the principles do not.

### CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

### 5.1 Introduction

This section summarizes of the researcher's findings based on the data results from the investigations on barriers to corporate strategy implementation at Villa Care Company Limited. The conclusions and the recommendations are made subsequently. It will provide conclusions and recommendations for further research.

The intent of the investigation was to determine the barriers to corporate strategy implementation at Villa Care Company Limited. The findings of the study indicated that for the strategic planning period 2015-2020 the overall performance of Villa Care Company Limited was average. This was despite formulation and implementation of the strategic objectives. It transpired that in the period 2015-2018, Villa Care Company Limited when implementing its strategic objectives, was only able to increase its branches across the country from 5 to 7, reduce its staff from 250 to 200, outsource non-core activities and merge two independently operating programmes.

It failed to align some of the most critical strategy supportive aspects of the organisation. For instance, in the implementation of the strategic plan, leadership, structure, culture, budget, and resources were not aligned with the strategy. This posed a major challenge to the success of the strategy. With unsupportive leadership, structure, culture, budget, and resources, while the organisation was able to sustain its remaining staff, and meet its mandate to a limited extent, it did not prosper. It continued to perform dismally.

### **5.2 Summary of findings**

From the investigation, the researcher noted that Villa Care Company Limited had a corporate strategic plan known as Liveable Housing Design that includes a set of strategic priorities which are used for planning in the company's operations. Operational strategic priorities guide Villa Care Company and its partners in developing county level operational plans.

Villa Care Company provides out-posted headquarters functions for the benefit of county operations by providing operational support and advice to county offices with a primary objective of pursuing the strategic priorities. From the study, inadequate resources were found to be a challenge to implementation of strategies at the organization. Agent fatigue was found to be one of the reasons for poor contracting on home development projects.

Agent fatigue refers to a phenomenon where agents seldom stick to contractual agreements despite their history with the company. This is a result of overwhelming requests from property investors for support in their high budgeted projects on a multi-year contract basis. These incessant appeals discourage agents from meeting their contract requirements. In addition when agents provide investors, they are normally earmarked and tend to satisfy agent interests leading to failure of implementing organizational led projects.

From the analysis, communication was found to be a challenge to implementation of strategic objectives. In the study it was found that sub offices within the region did not know the communication channels to use to request for support from technical experts at the company headquarters. This was because the latter did not share information regarding the type of support it provides, which counties and the procedures that should be followed while requesting for technical experts in their thematic areas.

On organizational culture the challenge that was found was employees' failure to perceive the intended meaning attached to the culture of the organization resulting in failure of the implementation process. In addition, staff fail to embrace or adopt a culture of reading in order to gain skills that are required to handle the new technology such as how to use the Focus system that would ensure the success of strategy implementation process.

From the analysis, it was evident that organizational structure faced some challenges. It was found that frequent memos from headquarters on position cuts, reduction on salary schemes and benefits as well as reduction on length of contracts interfered with the implementation process of strategic objectives since it created fear among staff resulting from uncertainty about their career prospects.

Regarding barriers that were not anticipated it was found that natural calamities such as floods and droughts, insecurity, poor infrastructure, agent fatigue, exchange rate loses, poor communication, uncontrollable factors in the external environment such as political factors affected implementation of strategic plans. This results in their objectives being more ambiguous and less distinguishable and varying in their order of prime concern depending on the ever changing external environment. The management does not have freedom to optimise its own performance by executing developed strategies.

### **5.3 Conclusion**

This research infers that successful application of strategy helps a company gain a competitive upper hand against its rivals, define its businesses and align itself towards its overall strategic goal. Villa Care Company Limited is able, to an extent, puts focus on strategic environmental positioning to ensure its continued success allowing for courses of action that take into account the dynamic nature of the environment. The goal is to ensure that the collective intentions are realized with little unanticipated influence from external forces.

The research further reveals that the company does follow the necessary steps in the strategy formulation and implementation process. The involvement in the strategy implementation process is company-wide. The impact of human resource development on effective strategy implementation at the organization is encouraging creativeness, acting as a role model, creating and sharing a unifying objective and providing subsistence to workers.

The study reveals the presence of various barriers to the strategy implementation process at Villa Care Company. From the study, it is evident that organizational structure, culture, resource availability, inadequate communication, uncontrollable factors, resistance to change, reward systems, policies and procedures and ambiguous organizational strategies affect operations. These factors need to be considered by the organisation in order to prevent challenges during implementation process.

### 5.4 Recommendation for Policy, Theory and Practice

This examination makes significant contribution to the body of knowledge, theory and practice. Firstly, the methodology used in this study enabled derivation of more valuable and broader conclusions because it involved retrieval of information that would not have otherwise been extracted using other means. This increased the generalization of the results. As compared to strategy formulation, strategy implementation has often received little scholarly research attention and this study has uncovered factors that enhance strategy implementation.

The review has made several cardinal contributions to strategy implementation and its challenges. It confirms existing literature in terms of the direct relationship between external environment and strategy implementation, confirming that organizations must be cognizant of the external factors which are usually beyond their control. Three key processes are important: strategy, people and operations. Scholarly research has clearly examined the link between the external environment and strategy implementation.

This study has contributed to the institutional theory which articulates employee involvement in both strategy conception and application. Emphasizing that the outcome of a process is as important as the process itself. Additionally, it has enhanced the McKinsey 7S framework, the Bourgoius strategy implementation framework, the Procedural Justice theory of "fair process", as well as other related studies on challenges of strategy implementation in sectors other than real estate.

The study will facilitate the policy makers in private institutions to be aware of specific needs in the strategy implementation process such as communication, coordination, planning and staff motivations. The study findings will be serviceable to the real estate industry in implementing superior policies that will enhance customer service and hence more penetration of the market. The study will also assist stakeholders and interested parties in understanding the barriers to strategy implementation in the real estate industry and how to overcome them.

In addition, the study brought out auxiliary factors that enhance strategy implementation where the quality of workforce development has been brought out clearly. Recent studies ignored to study the management perception on effect of quality of workforce development, looking at core competencies, appointment of change champions, long term development strategy for effective strategy implementation. These research gaps have been addressed in this thesis.

### 5.5 Limitations of the study

The investigation was limited to Villa Care Company Limited, a subsidiary real estate company expected to give the relevant information sought by the researcher to fill the prevailing knowledge gap. Some respondents were not willing to fully disclose company information purporting various reasons.

The researcher went about dealing with this limitation by assuring the respondents of the strict confidentiality of the information obtained which would only be used for study purposes. The respondents also raised the issue of anonymity which the researcher overcame by assuring them of the coding of each interview guide.

The topic of strategy implementation has been given more attention in the developed world unlike in Kenya, which is a developing country. There may be a limitation on the available literature on barriers to corporate strategy implementation and the real estate companies, from which lessons can be drawn. To overcome the limitation, studies in other sectors were used to draw lessons to support empirical data, both globally and locally.

Another limitation lay in the spread of the study which only took Nairobi county into consideration. The strategic barriers and the strategic responses in this study were compiled from views expressed by senior managers whose firm is operating within Nairobi only. It would have been of much benefit if the views of other stakeholders in other towns and cities were obtained. However, the time and financial factors could not cater to this limitation.

### **5.6** Areas for further research

The evaluation hereby endorses additional research to allow for generalization of findings ought to be conducted on barriers to strategy implementation in the private sector especially among real estate companies that are emerging as economic giants in the contribution to country GDP. Further research could also be conducted to determine the effectiveness of collaboration between international real estate organisations and the local real estate industry in addressing barriers to the enactment of strategic objectives.

To ascertain the correctness of the study findings and ensure a true depiction of the state of the real estate industry, the information therein should be replicable. This study was carried out at Villa Care Company Limited and therefore similarly, investigations should be carried out in the other real estate companies to establish replicability of findings. Since the study focused on the real estate industry as the only representation of the private sector, further studies need to be carried out across other private sector organisations to enhance the understanding in this area of the barriers to strategy implementation.

Lastly, a study on solutions that could be adopted on barriers to strategy implementation with respect to the Kenyan situation would help real estate organizations improve on their performances and reduce failures or frustrations in the implementation of strategic objectives. This could in part include studies on the impact of politics and how the negative effects of politics can be mitigated to allow for successful administration of strategy in the local real estate sector.

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APPENDIX I: LETTER OF INTRODUCTION

SANDRA MARCELLA OSUGA,

UNIVERSITY OF NAIROBI,

P.O BOX 522-00600,

NAIROBI.

OCTOBER 2018.

Dear Sir/Madam,

**RE: DATA COLLECTION** 

I am a postgraduate student at the University of Nairobi undertaking a degree in

Master of Business Administration majoring in Strategic Management. As an

academic requirement before graduating I would have to submit a thesis and for this

reason I have chosen the research topic "Barriers to Corporate Strategy

Implementation of Real Estate Companies: A Case of Villa Care Company Limited in

Nairobi County".

You have been selected to form part of the study. This is to kindly request you to

assist in the data collection process by responding to the interview guide. The

information you provide will be used strictly for academic purposes and will be

treated with utmost confidence. A copy of the final report will be available to you

upon request. Your assistance will be highly appreciated.

Yours Sincerely,

SANDRA MARCELLA OSUGA

STUDENT REG. NO. D61/79507/2015

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### APPENDIX II: INTERVIEW GUIDE

### PERSONAL INFORMATION

- 1. Interviewee's managerial position
- 2. Years with the Company
- 3. Years in the current position
- 4. What is your role in the company's strategic implementation process?

### CHALLENGES OF STRATEGY IMPLEMENTATION

- 5. Who are involved in the strategy implementation process in the company?
- 6. What role does your department play in the strategy implementation process?

  Are departmental goals aligned with overall strategic objectives?
- 7. In your opinion what is the importance of management ability or competence in achieving successful strategy implementation practices in your department?
- 8. What are the barriers to strategy implementation in your company?
- 9. What are challenges posed by customers and staff who do not fully appreciate the company strategy in strategy implementation process?
- 10. How do leadership and resistance to change inhibit the process of strategy implementation in your department?
- 11. What other barriers to the strategy implementation process are difficult to overcome in your company?
- 12. What factors would you take into account to curb strategy implementation obstacles that had not been anticipated?

### APPENDIX III: PLAGIARISM REPORT

CARE COMPANY LIMITED IN NAIROBI COUNTY  ORIGINALITY REPORT					VS
100 SIMILARITY		10% INTERNET SOURCES	0% PUBLICATIONS	<b>4</b> % student	PAPERS
PRIMARY SOU	RCES				
2000 E-200	ww.villad	carekenya.com			6
	se.org				2
	.wikiped	dia.org			1
4	ss.uonb	i.ac.ke			<1
	vw.scie(	du.ca		,	<1
Exclude quo		dri Dri	Exclude matches	Off	