CHALLENGES OF STRATEGY IMPLEMENTATION AT JHPIEGO CORPORATION KENYA

BY

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A Research Project Submitted to the School of Business in Partial Fulfillment of the Requirement for the Award of Master of Business Administration (MBA) Degree of the University of Nairobi

NOVEMBER 2012

DECLARATION

This research project is my original work and has never been presented in any other University or College for the award of a degree, diploma or certificate.

Signature:

Ng'ang'a Moses

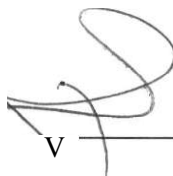**Registration Number: D61/75172/2009**

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This research project has been submitted for examination with my approval as the University supervisor.

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ACKNOWLEDGEMENTS

The MBA program has been a long, time-consuming and challenging experience. It has equally been an enriching and a life-changing episode. Its successful completion would not have been possible without support from various people to whom I will forever be indebted. First and foremost, I want to thank the Almighty God for the gift of life and the strength to complete the MBA program. It has been a treacherous journey but God has been with me every step of the way.

Secondly, I am very grateful to my supervisor Dr. Zachary B. Awino for his advice, support, and constructive criticism throughout the study. The successful completion of this study would not have been possible without his support and understanding. Thirdly, I am thankful to the management of Jhpiego Corporation Kenya for their patience and also for having agreed to share their experiences and opinions during the personal interviews.

I also appreciate the unwavering support and understanding from my entire family throughout the program. Finally but not least, I wish to thank all my friends and classmates for their support and encouragement during the entire MBA program.

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DEDICATION

This study is dedicated to my loving mother Emily Nyambura Ng'ang'a. Thank you mum for inspiring and challenging me. Your belief in education and selflessness has made me what I am today.

ABSTRACT

Once excellent strategies are formulated, they must be effectively and efficiently translated into action. Strategy implementation is the most vital phase of strategic planning process. It is perceived to be difficult, tougher and more time-consuming than strategy formulation as it involves management of people and processes. Effective implementation should, therefore, begin at strategy formulation. Challenges in strategy implementation are often a result of a misfit between strategy and the McKinsey 7-S variables, namely, structure, strategy, staff, style, systems, skills, and shared values. Successful implementation requires a fit between chosen strategy and the key success factors which include organizational skills and capabilities; organization structure; reward systems and incentives; policies and procedures; information systems and controls; budgets and resource allocation; and organizational culture (Thompson, Strickland and Gamble, 2008). This study sought to determine the challenges faced by Jhpiego Kenya during the strategy implementation process. Primary data was collected through personal interviews with senior and middle-level managers with the aid of an interview guide (Appendix II). The data collected was analyzed qualitatively through content analysis. The findings revealed that challenges faced during implementation emanated from both internal and external sources. Externally, the donors and the government were found to have the great impact on implementation of strategies at Jhpiego. Internally, inadequate human resources and ineffective rewards and incentives were identified as the most influential factors. It is apparent that successful strategy implementation will largely be determined by how managers of INGOs in the Kenya health sector adapt and align their strategies to changes in both the internal and external environment.

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ABBREVIATIONS AND ACRONYMS

AIDS   Acquired Immune Deficiency Syndrome

CDC   Center for Disease Control

HIV   Human Immuno Deficiency Virus

INGO   International Non-Governmental Organization

Jhpiego   Jhpiego Corporation (An Affiliate of Johns Hopkins University)

MOH   Ministry of Health

MOMS   Ministry of Medical Services

MOPHS   Ministry of Public Health and Sanitation

NGO   Non-Governmental Organization

USAID   United States Agency for International Development

USA   United States of America

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CHAPTER ONE: INTRODUCTION

1.1   Background of the Study

The modern business environment is characterized by rapid and, sometimes, unpredictable changes. This uncertainty increases risk and as a result, managers must not only think strategically, but also develop and implement effective strategies to guarantee the long-term survival of their organizations - whether for-profit or not-for-profit, private or public. The external environment influences an organization's strategy development and implementation by creating both opportunities and threats (Johnson and Scholes, 2002, p.145). Consequently, the organization's strategy should not be static, but innovative and continually evolving as "….managers modify the approaches they take and initiate to respond to changing conditions" (Thompson and Strickland, 1989, p.33).

Whereas many organizations develop excellent strategies, implementation and execution of these strategies remains a major management challenge to-date. Strategy implementation is perceived to be a more difficult phase of strategic planning as compared to strategy development. David (1997, p.214) argues that it is always more difficult to do something (strategy implementation) than to say you are going to do it (strategy formulation). Implementation requires teamwork between those who have the strategy-executing responsibility - the managers - and the participants in the strategy execution process - all the employees (Thompson, Strickland and Gamble, 2008, p.359).

It revolves around the management of people and business processes. The success of strategy implementation, therefore, depends on working with and through others, motivating and rewarding people, instilling discipline, and building and strengthening organizational competitive capabilities.

NGOs, like all other organizations, are not immune to pressures from the environment. It is, therefore, paramount that managers formulate good strategies and also ensure their efficient and effective implementation. As observed by David (1997, p.240), "formulating the right strategies is not enough, because managers and employees must be motivated to implement those strategies". Ansoff and McDonnell (1990, p.25) stated that management's approach to strategy must be dynamic, flexible and innovative to match the changes in the environment. This study intends to determine the challenges faced by International NGOs operating in the Kenya health sector during strategy implementation, with special reference to Jhpiego - Kenya Country Office.

1.1.1 The Concept of Strategy

According to Mintzberg, Ahlstrand and Lampel (1998, p.9), strategy is a plan, ploy, pattern, position and perspective. It is a direction, a guide or course of action into the future, a path to get from here to there. It is the "...direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a changing environment and to fulfill stakeholder expectations" (Johnson and Scholes, 2002, p.8).

Strategies are not just a random sequence of actions; they are designed consciously and purposefully to achieve specific objectives that are critical to the organization's long-term success, and to align the organization to the environment.

Strategy is about winning and this requires consistency of behavior over time, thereby creating patterns and approaches designed by management to produce successful organization performance. It is a specific maneuver aimed at outwitting competitors by creating competitive advantage and building on the organization's sustainable distinctive competences (Porter, 1996, p.62; Thompson and Strickland, 1989, p.3; Mintzberg, et al., 1998, p.9).

Strategy is locating of particular products in particular markets on the basis of customers' needs, customers' accessibility, or the variety of a company's products and services Competitive strategy is the search for a favorable competition in an industry with the aim of establishing a profitable and sustainable position against the forces that determine industry competition. Its essence is choosing to perform activities differently and better than rivals (Porter, 1996, p.64-66; Mintzberg, et al. 1998, p.12; Porter, 1985, p.26).

Strategic planning is the process adopted in identifying a strategy that best matches organizational capability with the environment. It involves the identification of prevailing opportunities and threats versus the organization's resource capability. Strategic planning consists of three phases, namely, strategy formulation, implementation and control. Strategy formulation is the "...entire management function of establishing organization

direction, setting objectives, and devising a managerial game plan for the organization to pursue" (Thompson and Strickland, 1998, p.4). Implementation is putting strategy into action whereas control involves continuous monitoring and evaluating of strategy implementation to facilitate corrective action where required.

1.1.2 Strategy Implementation

For strategic thoughts to be useful to the organization, they must be translated into strategic action. Strategy implementation is about putting strategy into place and getting the organization to execute it well (Thompson et al., 2008, p.359). It embraces all the actions required to put chosen strategy into practice and to actually achieve the targeted results. The success of this administrative activity depends upon the skills of working through others, organizing, motivating, culture-building, and creating strong fits between strategy and the how the organization does things. It is a challenging management process that is tougher and more-time-consuming but most vital in the strategic planning process (Thompson and Strickland, 1989, p.263; Howe, 1986, p.95). Effective strategy implementation begins at strategy formulation.

Thompson and Strickland (1989, p.4), states that a good strategy and good implementation are the most trustworthy proof of good management. This should, however, not be construed to imply that good strategy-making and good strategy-implementation would always guarantee positive results. A properly crafted strategy must be translated into a carefully implemented action and should have in-built flexibility to permit adaptation to the dynamic environmental demands.

Strategy implementation is conducted in two phases, namely, operationalizing strategy and institutionalizing strategy. While the former entails translating strategy into functional plans and tactics which are implementable, the latter revolves around providing the necessary organizational infra-structure to put chosen strategy into action. Thompson and Strickland (1989, p.264) identifies six tasks which are key to successful strategy implementation, namely, building an organization capable of strategy execution; exercising strategic leadership; installing administrative support systems; galvanizing commitment to the strategy throughout the organization; linking work to strategic performance targets; and establishing a strategy-supportive budget.

1.1.3 Challenges of Strategy Implementation

"It is always more difficult to do something (strategy implementation) than to say you are going to do it (strategy formulation)" (David, 1997, p.214). Excellently formulated strategies may fail due to internal challenges, external challenges, or a combination of these factors. Resistance to change (individual or systemic) may hinder the successful implementation of a change program.

Individual resistance occurs when the participants in strategy implementation overtly or covertly oppose any changes to the status quo. Systemic resistance represents the firm's lack of appropriate infra-structure to successfully implement change. Uncontrollable factors in the environment may also stifle the strategy implementation process.

Challenges in strategy implementation mainly result from a misfit between strategy and the key success factors, namely, organizational skills and capabilities; organization structure; reward systems and incentives; policies and procedures; information systems and controls; budgets and resource allocation; and organizational culture (Thompson et al., 2008, p.265).

Strategies may fail due to poor strategy; poor strategy implementation; lack of competent employees; and failure to integrate strategy formulation and strategy implementation. Other problems include lack of involvement in strategy formulation; inadequate leadership and direction; lack of commitment to organization strategy; poor organization systems and structures; limited resources; competing priorities; external environmental factors beyond the control of the firm; lack of beneficiary involvement; and inadequate communication of strategy (Thompson and Strickland, 1989; Wheelen and Hunger, 2008; Thompson, et al., 2008; Gioche, 2006; Ndiao, 2001; Kiprotich, 2008; Musyoki, 2003; and Muthuiya, 2004).

1.1.4 International NGOs in the Kenya Health Sector

An NGO is a private voluntary grouping of individuals or associations, not operated for profit or for other commercial purposes but which have organized themselves nationally or internationally for the benefit of the public at large and for the promotion of social welfare, development charity or research in the areas inclusive of, but not restricted to, health, relief, agriculture, education, industry and the supply of amenities and services. An INGO is an NGO with the original incorporation in one or more countries other than

Kenya, but operating within Kenya under a certificate of registration (Act No. 19, 1990). Kenya receives large amounts of foreign assistance for the public health sector most of which is distributed through INGOs. A majority of these INGOs have offices locally, operate globally and report to their respective headquarters in developed countries. Examples of INGOs in the Kenya health sector are Jhpiego, PATH, FHI, Pathfinder, World Vision, Plan International, CARE, Save the Children, et cetera.

1.1.5 Jhpiego Corporation

Jhpiego is an INGO which was founded in 1974 as an affiliate of the Johns Hopkins University and whose core business is to save the lives of women and families worldwide. Originally known as the Johns Hopkins Program for International Education on Gynecology and Obstetrics (JHPIEGO), the organization is funded mainly through USAID, CDC, Bill and Melinda Gates Foundation, amongst other donors. When the organization's core business expanded beyond gynecology and obstretrics, the NGO retained the brand name Jhpiego to maintain its identity.

Jhpiego brings high-quality health care to women and families by putting research into practice, developing solutions to improve health care services, and strengthening the capacity of countries to save lives while building sustainable health systems for the future. Jhpiego's areas of expertise are: maternal and newborn child health, family planning and reproductive health, HIV/AIDS prevention and care, infection prevention and control, malaria prevention and treatment, tuberculosis, and cervical cancer prevention and treatment (Jhpiego, 2011).

Jhpiego has its headquarters in Baltimore, Maryland (USA) but operates in over 50 countries in Africa, Asia, Latin America and the Caribbean, and Europe (Jhpiego, 2011). The Jhpiego Kenya Country Office has been in operation since 1993. The study will focus on challenges faced by Jhpiego - Kenya Country Office during strategy implementation.

1.2   Research Problem

Ansoff and McDonnell (1990, p.242) stated that successful environment-serving organizations are open systems. The success or failure of an organization, therefore, depends on how it relates to its environment. Organization's respond to changes in the environment by formulating appropriate strategies, carefully implementing the strategies, and controlling and monitoring the process to ensure that the desired results are obtained. Strategy implementation is one of the most vital phases in the strategic planning process and it embraces all the actions required to put strategy into action (Howe, 1986, p.95).

Several scholars have studied strategy implementation and its challenges in organizations in Kenya (Ngumo, 2006; Obare, 2006; Awino, 2000; Tonui, 2008; and Sesi, 2008). Most of these, however, have focused on the profit-making enterprises and the public sector. Whereas the findings of these studies provide insight into the strategy implementation processes in NGOs, they may be inadequate to fully explain the challenges faced by these organizations because of the sectoral and managerial differences that exist between for-profit companies and not-for-profit organizations.

Johnson and Scholes (2002, p.30) identifies the following as some of the unique characteristics of NGOs: diverse sources of funds which result in different objectives; provider of funds may not be direct beneficiaries of the services offered; and donors provide funds in advance of the services being offered.

Additional research has been done on strategy implementation in the NGO sector (Khakina, 2006; Gioche, 2006; Muthuiya, 2004; Musyoki, 2003; Kiprotich, 2008; Musyoka, 2008; and Ndiao, 2001). However, since strategic management is sensitive to the context in which it is practiced, it would be erroneous to make generalizations without conducting further research.

Additionally, despite being a very crucial phase of the strategic planning process, strategy implementation has not been adequately researched on. It is with this background that the researcher intended to find answers to the question: What challenges does Jhpiego - Kenya Country Office face when implementing strategies?

1.3   Research Objective

To determine the challenges faced by Jhpiego - Kenya Country Office when implementing strategies.

1.4   Value of the Study

The findings of this research will be important to various users. To the managers and decision-makers at Jhpiego, it will highlight the challenges faced during strategy implementation, thereby prompt management to seek appropriate strategic solutions. Other INGOs in the health sector also stand to gain from the study as the findings will aid in development of strategic response to challenges in strategy implementation in their organizations.

The research findings will also be useful to scholars and researchers on strategic management by providing additional knowledge on challenges of strategy implementation in the not-for-profit sector. Future researchers on challenges of strategy implementation will find this study a good basis for extending their studies.

By providing information on how decisions made by policy makers, especially the government, donors and other development partners, affect strategy implementation in INGOs, the findings of the research will serve as knowledge base and a guide to future decisions.

CHAPTER TWO: LITERATURE REVIEW

2.1   Introduction

This chapter reviews existing literature on the process of strategy implementation, the elements of effective strategy implementation as well the challenges faced during the implementation of strategy.

2.2   Strategic Management Process

Strategy is a set of decision-making rules for guidance of organizational behavior (Ansoff and McDonnell, 1990, p.43). Strategic management is, therefore, the management of the process of strategic decision-making (Johnson and Scholes, 2002). This process consists of three inter-related stages, namely, strategy formulation, implementation, and evaluation and control. Strategy formulation refers to the process of establishing organization direction, setting objectives, and devising a managerial game plan for the organization to pursue (Thompson and Strickland, 1989). It involves developing an organization vision, translating the mission into performance objects and crafting a strategy that fits the organization's situation.

The chosen strategy must then be executed and implemented effectively and efficiently. Strategy implementation is the process by which objectives, strategies and policies are put into action through the development of programs, budgets and procedures (Wheelen and Hunger, 2008, p.214). Successful strategy implementation requires strategic feedback (Ansoff and McDonnell, 1990, p.44). Effective evaluation and control involves

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continuous monitoring of the strategy implementation process and taking corrective action where required. Corrective action, ideally, should be proactive rather than reactive. Strategic planning enables the organization to identify prevailing opportunities and threats, as well as estimate the organization's resource capability so at to align itself with the environmental challenges.

2.3   Strategy Implementation

"Without effective execution, a strategy is just an idea waiting to happen" (Walker, 2004, p.95). Consequently, organizations must not only craft excellent strategies, but also translate these strategic thoughts into action. Ansoff and McDonnell (1990, p.43) observed that strategies represent the means to an end, but are not an end in themselves. Good strategy and good implementation are the most trustworthy proof of good management (Thompson and Strickland, 1989, p.4). Organizations must, however, be flexible to respond rapidly to competitive and market changes and adapt their strategies accordingly (Porter, 1996). The strategic planning process can be considered successful only if the company achieves the targeted strategic and financial performance and shows good progress in making its strategic vision a reality" (Thompson et al., 2008, p.361).

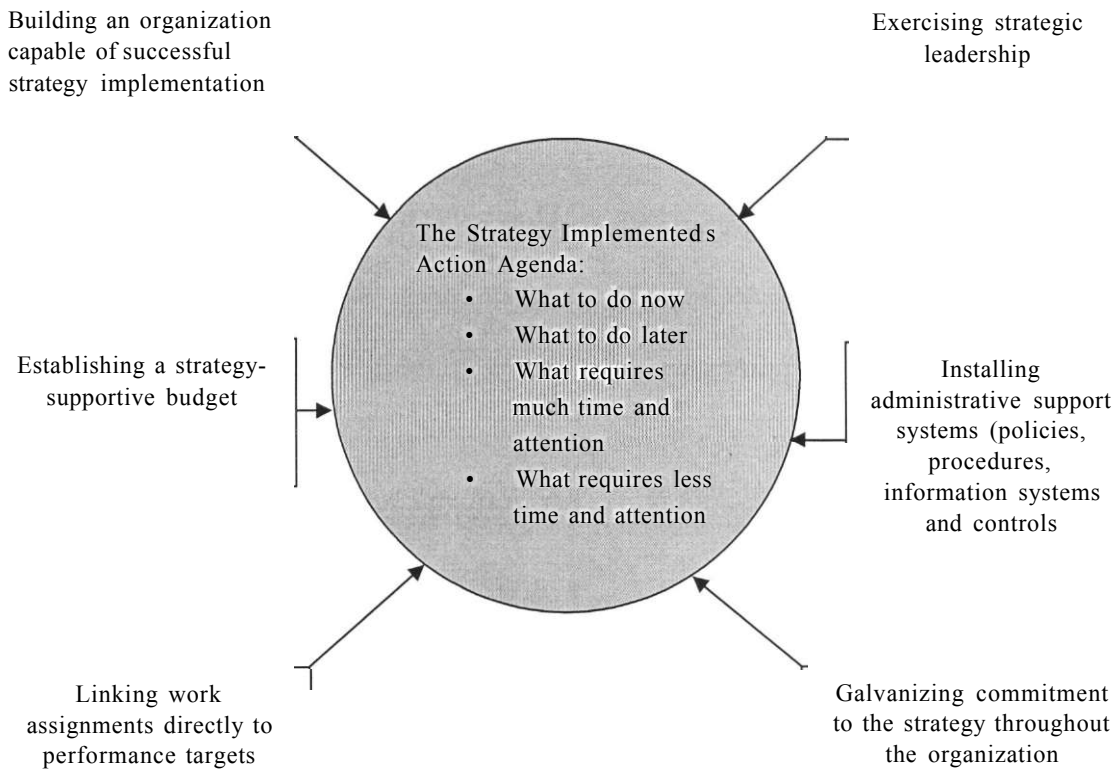Strategy implementation is the process by which objectives, strategies, and policies are put into action through the development of programs, budgets and procedures (Wheelen and Hunger, 2008, p.214). It is tough, complicated and time-consuming but also very vital in the decision-making process (Howe 1986, p.95; Thompson et al., 1989, p.263). Implementation is complicated by the multiplicity of tasks coupled with the variety of

ways to approach each task. Its success depends on working with and through others, motivating and rewarding people, instilling discipline, and building and strengthening organizational competitive capabilities. Managers must continuously scrutinize the organization to determine the strategy-supportive changes required.

Implementation comprises strategy operationalization and institutionalization. While the former entails translating strategy into functional plans and tactics which are implementable, the latter revolves around providing the necessary organizational infrastructure to put chosen strategy into action. Implementation is an open process which lacks clear-cut steps or guidelines. However, different scholars have identified varying tasks to guide the process.

Thompson and Strickland (1989, p.264) identify six key tasks, namely, building an organization capable of strategy execution; exercising strategic leadership; installing administrative support systems; galvanizing commitment to the strategy throughout the organization; linking work to strategic performance targets; and establishing a strategy-supportive budget (Figure 1). Building organizational capability entails developing an internal structure that is responsive to the needs of the strategy, building and nurturing the skills and distinctive competencies in which the strategy is grounded and selecting people for key positions (Thompson and Strickland, 1989, p.266). Exercising strategic leadership involves fostering a strategy-supportive organizational culture, keeping the internal organization responsive and innovative, empowering champions, and effectively dealing with internal politics that may derail strategy implementation.

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Figure 1: *Implementing Strategy: The Key Tasks*

Building an organization
capable of successful
strategy implementation

Exercising strategic
leadership

The Strategy Implemented s
Action Agenda:
- What to do now
- What to do later
- What requires much time and attention
- What requires less time and attention

Establishing a strategy-
supportive budget

Installing
administrative support
systems (policies,
procedures,
information systems
and controls

Linking work
assignments directly to
performance targets

Galvanizing commitment
to the strategy throughout
the organization

Source: Arthur A. Thompson Jr & A. J. Strickland III. 1989. *Strategy Formulation and Implementation: Tasks of the General Manager.* Boston: BPI Irwin, p.264

The organization must also put in place systems, policies and procedures that would facilitate the implementation of the chosen strategy. Management must strive to get organization-wide support for strategy by communicating to staff and at the same time ensuring that employees are adequately motivated to translate strategy into action. Additionally, the system of rewards and incentives must be linked to the achievement of the firm's objectives. According to Porter (1996), organizations must nurture a few core competences in the race to stay ahead of competitors. Adequate resources should be availed to support strategy implementation.

Pearce, Robinson and Mital (2010, p.320) identify five tasks, namely, identify short term objectives; initiate specific functional tactics; outsource nonessential functions; communicate policies that empower people in the organization; and design effective rewards. Howe (1986, p.95) views implementation as involving identification of key tasks to be performed; allocating tasks to individuals; coordinating the tasks; designing and installing management information system; drawing up specific programs of action; preparing time schedules; setting up systems of comparing actual performance with standards; and designing a system of incentives, controls and penalties.

2.4   Elements of Effective Strategy Implementation

Strategy implementation is one of the most vital phases in the decision making process (Howe, 1986, p.95). It is, therefore, paramount that organizations implement their strategies effectively and efficiently. The McKinsey 7-S Framework provides a summary of the interrelated factors that influence an organization's ability to change. These factors are strategy, structure, style, systems, skills, staff, and shared values. "When the 7-S are in good alignment, an organization is poised and energized to execute strategy to the best of its ability" (Thompson et al., 2008, p.311). Shared values represent the broad notions of future direction that top management wants to infuse throughout the organization (Thompson et al., 2008, p.313). Strategy implementers should aim at having a fit between strategy and their organization.

2.4.1 Strategy - Supportive Structure

Structure refers to the formalized arrangement of interaction between and responsibility for the tasks, people, and resources in an organization (Pearce et al., 2010, p.358). Alfred Chandler as quoted in Grant (1998, p. 142) stated that "strategy follows structure." Consequently, to successfully implement a strategy, the organization must adopt the right organization structure for the strategy (Howe, 1986, p.96). Matching structure to strategy requires making strategy-critical activities and organization units the main building blocks in the organizational structure. Mintzberg and Quinn (1991, p.307) stated that structure and strategy exist interdependently, each influencing the other. As such, neglecting the organization structure-strategy fit may jeopardize the likelihood of achieving the firm's goals.

The choice of an appropriate organizational structure is influenced by several situational factors including the size of the organization; kind of technology in use by the organization; the level of environment; and the power that the organization wields, (Thompson et al. 2008, p.340). Organizational structure may be redesigned to carry out a new structure in some cases, although the choice of a new strategy may also be influenced by the realities and potentials of the existing structure (Mintzberg & Quinn (1991, p.307). Peter Drucker observed that "the simplest organizational structure that will do the job is the best one" (Thompson and Strickland, 1989, p.283). A good structure represents a means to an end, but is not an end in itself.

The organization must design the internal organization around the key success factors and critical tasks inherent in the firm's strategy. This entails pinpointing the strategy-critical activities; understanding the relationships among activities; grouping activities into organizational units; determining the degree of authority and independence to give each unit; and providing for coordination among units (Thompson and Strickland, 1989, p.267). An organization may adopt functional, geographic, decentralized, divisional, or matrix structures, or a combination.

2.4.2 Strategic Leadership

Strategic leadership entails obtaining commitment to the strategy and its accomplishment, as well as constructive use of power and politics to build consensus and support for strategy. It involves guiding people in an organization toward a vision over time, overcoming pockets of doubt and disagreements, and coordinating the implementation process. Successful strategies require responsible, coordinated and committed leadership (Mintzberg, Lampel, Quinn and Ghohai, 2002, p. 16).

The first step in creating a strategy-leadership fit is to "...put the right people in the right places to ensure that the strategy has the best chance of success" (Howe, 1986, p.95). The organization must also match the requirements of strategy and the characteristics of the individual manager. This is because managers portray different characteristics and management styles which may be appropriate to particular strategic environments. Additionally, executives of different backgrounds and values will interpret the same environment in accordance with their own cultural views and biases (Howe, 1986, p.95).

According to Grant (1998, p.25), management's approach to strategy and strategy implementation must be dynamic, flexible and innovative. As such, the manager's style, whether, entrepreneurial, scientific, conservative or democratic, may affect the pace and success of strategy implementation. Thompson et al. (2008, p.312) assert that organizations may listen to what managers say, but they believe what managers do. The leader's ethical standards of behavior, actions, decisions and norms greatly influence the actions of strategy implementers. Leaders must, therefore, not only guide the organizations in words, but also in deeds. Leaders help their organizations to embrace change by setting forth their strategic intent - a clear sense of where they want to lead the company and what results they expect to receive (Pearce et al., 2010, p.395). Successful strategy implementation requires leaders who possess the elements of good leadership, namely, vision, perseverance, performance and principles. Managerial leadership also serves to coordinate the implementation process.

2.4.3 Strategy - Organizational Culture Fit

Culture refers to the set of important assumptions, values, beliefs and norms that members of an organization share in common (Pearce et al., 2010, p.417). Every organization is a unique culture and as such, strategy-implementers are faced with the daunting task of harmonizing the strategic plan and culture. Culture can discourage strategy implementation by making organizations resistant to change. This is because "strategy introduces elements of rationality which are disruptive to the historical culture of the firm and threatening to the political processes" (Ansoff and McDonnell, 1990, p.47).

A strategy-supportive culture, on the other hand, causes the organization to work hard and smart toward the achievement of the strategy. Implementation of new strategies may require transformation of attitude and behavior amongst employees. According to Pearce et al. (2010, p.412), the firm may be faced with four situations for managing the strategy-culture relationship depending on whether the changes in key organizational factors that are necessary to implement the new strategy are many or few, as compared to the potential compatibility of changes with existing culture. The firm may be required to adopt any of the following, depending on the situation at hand: link changes to basic mission and fundamental organizational norms; re-formulate strategy or prepare carefully for long-term, difficult cultural change; synergistic focus on reinforcing culture; or managing around the culture.

2.4.4 Organizational Systems and Policies

Systems represent all the organization policies, processes and practices, whether formal or informal, written or unwritten, which facilitate the organization's operations. Policies are broad, precedent-setting decisions that guide or substitute for repetitive or time-sensitive managerial decision making (Pearce and Robinson, 2010, p.332).

Policies help to push day-to-day activities in the direction of efficient strategy execution; place limits on independent action and sets boundaries; act to align actions and behaviours with strategy; help to shape the character of the internal work climate and to translate corporate philosophy into action; reduce uncertainty in repetitive decision making; counteract resistance or rejection of chosen strategy; offer predetermined

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answers to routine questions; ensure quicker decisions; and promote uniformity in handling similar activities (Thompson and Strickland, 1989, p.305; Pearce and Robinson, 2010, p.332; Mintzberg et al., 2002, p.10).

2.4.5 Human Resources, Rewards and Incentives

Thompson and Strickland (1989) stated that "successful strategy implementation depends greatly on good internal organization and competent personnel" p.266. A competent human resources pool would give the firm a distinctive competence in performing one or more strategy-critical tasks. Implementation requires teamwork between those who have the strategy-executing responsibility - the managers - and the participants in the strategy execution process - all the employees (Thompson et al., 2008, p.359). Organizations, therefore, ought to consider people as a pool of resources to be nurtured, developed, guarded and allocated specific tasks. The organization may find the right people for key positions by promoting from within; strengthening existing management team; utilizing existing core team; or by recruiting externally; or using a combination of these methods.

Once the right people to spearhead strategy implementation have been identified, the organization should ensure that adequate incentives are available to motivate the senior managers to achieve the chosen strategic goals. Additionally, clear targets or objectives must be set and monitoring devices established (Howe, 1986, P.95). A fit between the chosen strategy and the organization's system of rewards and incentives is a pre-requisite for successful strategy implementation.

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Solidifying organization-wide commitment to putting the strategic plan in place can be achieved by motivation, incentives and the rewarding of good performance. This may be through the use of standard reward/punishment measures such as revised remuneration, promotions, demotions, constraints, controls, standards, participatory management, recognition, change in level of responsibilities, and so on. This is aimed at inspiring employees to do their best and giving them a sense of ownership in the strategy and its successful implementation.

2.4.6   Strategy - Supportive Budget Allocation

The organization must allocate ample resources to strategy-critical activities so as to "...allow chosen policies to be implemented, and the relating of individual unit or functional policies to those of the organization as a whole" (Howe, 1986, p. 101). Organizational units must have the resources needed to carry out their part of the strategic plan (Thompson and Strickland, 1989, p.287).

How well the budget is tied to the needs of the strategy can either promote or impede the process of strategy execution and implementation. Strategy must, however, have "...purposely built-in resource buffers and dimensions for flexibility and maneuver..." (Mintzberg et al., 2002, p. 16). It should be possible for the organization to successfully implement strategies with the available financial, human resources and technological resources. Lack of sufficient knowledge, overprotection, organizational politics, and too much emphasis on short run financial criteria can hinder resource allocation (David, 1997).

2.5   Challenges of Strategy Implementation

Excellently formulated strategies may fail due to internal challenges, external challenges, or a combination of these factors. Internal challenges represent forces within the firm that hinder the successful implementation of a change program. Internal resistance may either be individual or systemic. Whereas the former occurs when the participants in strategy implementation overtly or covertly oppose any changes to the status quo, the latter results when the organization lacks the appropriate infra-structure to successfully implement change. External challenges are the result of uncontrollable changes in the environment.

Challenges of implementation are, more often, a result of a misfit between strategy and the key success factors, namely, organizational skills and capabilities; organization structure; reward systems and incentives; policies and procedures; information systems and controls; budgets and resource allocation; and organizational culture (Thompson et al., 2008, p.265). Strategy implementation is complicated, time-consuming, requires people management skills as well as a thorough understanding of systems.

Strategy implementation may be hindered by poor fits between strategy and the Mc-Kinsey 7-S variables - namely, structure, strategy, staff, style, systems, skills, and shared values. The seven variables are so interconnected such that it is difficult to make significant progress in one area without making progress in all the others. According to research, over 90% of carefully planned strategies fail as a result of not paying attention to the 7-S (Thompson et al., 2008, p.310).

Separation of strategy formulation from implementation is a major cause of failed strategies. Formulation and implementation should be considered as two sides of the same coin (Wheelen and Hunger, 2008, p.215; Howe, 1986, p. 102). Grant (1998, p.142) observes that "formulating a strategy without taking into account the conditions under which it will implemented is unlikely to result in a well-designed strategy".

Mintzberg (1994, p. 100) terms the separation of strategy formulation from implementation as one of greatest fallacies of strategic planning. Mintzberg's model of strategy implementation gives four possible outcomes, namely, success, trouble, poor, or roulette. Success is the most likely outcome when strategy is appropriate and implementation good; roulette/gamble involves situations where a poor strategy is implemented well; trouble is characterized by situations where an appropriate strategy is poorly implemented; and failure involves situations where a poor strategy is poorly implemented. Effective strategy implementation begins at strategy formulation.

Lack of or inadequate communication of strategy to its implementers is a major barrier to successful implementation. Management must communicate the reasons for organizational change clearly and persuasively to organizational members, in order to give strategy a chance to succeed. If intended strategy and the rationale behind it is not clearly understood by mid-level managers, it likely to be resisted or rejected.

Lack of continuous feedback on the strategy implementation process is also a major challenge. If the manager is not fully aware about what is happening, he/she will lose control of the implementation process. The performance of existing structure needs to be monitored properly and feedback provided on a timely basis.

Implementation of a new strategy may require a psychological transformation by employees (Howe, 1986, p. 102). Strategy implementation may face resistance by individuals whereby the participants in implementation process overtly or covertly oppose any changes to the status quo. An organization culture that resists change will, similarly, be an impediment to effective implementation. Implementing strategy involves change, which in turn involves uncertainty and risk. As a result, motivating managers to make changes is a key determinant to the strategy's success.

Beer and Eisenstat (2000) identify six "silent killers" to strategy implementation, namely, top-down or laissez-faire senior management style; an ineffective senior management team; unclear strategy and conflicting priorities; poor vertical communication; inadequate down-the-line leadership skills and development; and poor coordination across functions, businesses or borders. Other challenges include lack of revision of existing management systems to match the needs of new strategy; the failure to predict the time and problems which implementation will involve; other activities and commitments that distract attention and cause resources to be diverted; the bases upon which the strategies were formulated change, or were forecast poorly and insufficient flexibility has been built in; and factors external to and beyond the control of the organization.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents a description of how the study was conducted. It presents the research design, how data was collected and from whom as well as the data analysis technique that was adopted during the study.

3.2 Research Design

The research was conducted through a case study. A case study involves an in-depth investigation of an individual, institution or phenomenon (Mugenda and Mugenda, 2003). Case studies place more emphasis on a full contextual analysis of fewer events or conditions and their interrelationships (Cooper and Schindler, 2003, p. 150).

Case studies are conducted to test the theoretical concepts in real-life situations in order to develop generalizable application (Mugenda and Mugenda, 2003). This research design has been successfully used in similar past studies (Kiprotich. 2008; Musyoki. 2003; Muthuiya, 2004; Ngumo, 2006; and Sesi, 2008).

3.3 Data Collection

The personal interview method was used for primary data collection. The researcher used an interview guide for all the respondents of the case study. An interview guide is a set of questions that the interviewer asks when conducting the interview (Mugenda and Mugenda, 2003).

The interview guide was pre-tested by two of the intended respondents in the organization to validate the capacity of the data collection tool in addressing the objectives of the study.

The researcher used judgemental sampling to select the respondents who were likely to have vital information on strategy implementation and its challenges. Judgemental sampling is a form of purposive (convenience) sampling, which involves obtaining information from specific respondents who are in the best position to provide the desired information (Sekaran, 1992, p.235). The research data and information was gathered from senior management and middle-level managers in various departments. The study targeted the Country Director, Finance and Administration Director, Project Directors, Human Resources Manager and Program Managers.

In-depth interviews were conducted with eight officers who included the Human Resources Manager, Finance and Administration Director, three Project Directors and three Program Managers. The interview guide was issued in advance to help the interviewees recollect facts and make reference where required. The interviews took an average of 45 minutes 1 hour each during which interviewees were allowed to discuss the topics without necessarily following the order of the questions in the interview guide. Probing technique was used to seek clarification or additional information from the interviewees. The data was collected in the form of draft notes which summarized the discussions of each interview.

3.4   Data Analysis

Qualitative data was analyzed using qualitative analysis. Qualitative data analysis seeks to make general statements on how categories or themes of data are related (Mugenda and Mugenda, 2003). Content analysis of the data was performed.

Content analysis provides the researcher with a qualitative picture of the respondents' concerns, ideas, attitudes, biases, feelings, and repeating themes (Cooper and Schindler, 2003, p. 150). Content analysis has been successfully used in similar studies (Gakenia, 2008; Musyoka, 2008; Obare, 2006).

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF RESULTS

4.1   Introduction

This chapter provides an analysis of the data collected and presents the results of the study as well as the discussion of the findings. The study focused on the challenges faced by Jhpiego - Kenya Country Office when implementing strategies. It targeted eleven senior officers in the organization who included the Country Director, Finance and Administration Director, Project Directors, Human Resources Manager and Program Managers. Out of the targeted population, eight officers were interviewed and this represents a 72% response rate. 37.5% of these interviewees had been working with Jhpiego Kenya for more than 10 years, another 50% for greater than five but less than 10 years and the balance of 12.5% have experience of less than five years with the organization.

To achieve the objective of the study, in-depth interviews were conducted with the eight officers, namely, the Human Resources Manager, Finance and Administration Director, three Project Directors and three Program Managers, with the aid of an interview guide. The interviewees were knowledgeable and representative of the population and were in a position to provide a fair account of the challenges faced by Jhpiego Kenya during strategy implementation.   Qualitative data was collected and analyzed using content analysis. Content analysis provides the researcher with a qualitative picture of the respondents' concerns, ideas, attitudes, biases, feelings, and repeating themes (Cooper and Schindler, 2003, p. 150).

4.2 Organizational Profile of Jhpiego

Jhpiego, originally known as the Johns Hopkins Program for International Education on Gynecology and Obstetrics (JHPIEGO), is a US-based INGO which was founded in 1974 as an affiliate of the Johns Hopkins University and whose core business is to save the lives of women and families worldwide. The organization is funded by US government agencies, corporate donors, private foundations, as well as individual donors. Jhpiego has its headquarters in Baltimore, Maryland (USA) but operates in over 50 countries in Africa, Asia, Latin America and the Caribbean, and Europe (Jhpiego, 2011).

For nearly 37 years, Jhpiego has successfully managed large, multi-year, worldwide awards and successfully implemented concurrent, multi-year bilateral programs worldwide, working directly at the local and community levels. The Jhpiego Kenya Country Office - whose main offices are in Westlands, Nairobi - was established in 1993 and has branch offices in Mombasa, Embu, Nyeri, Machakos, Kisumu, and Bondo and currently has about 180 staff members.

Initially, the organization's scope of work was limited to gynecology and obstetrics, but this has since widened to cover other areas such as HIV/AIDS prevention, care and treatment, maternal and newborn child health, family planning and reproductive health, infection prevention and control, malaria prevention and treatment, tuberculosis, and cervical cancer prevention and treatment (Jhpiego, 2011).

Since its founding in 1974, Jhpiego has been innovating to save the lives of women and families worldwide through human capacity development, development of standards and guidelines, performance and quality improvement programs, and education and training. Jhpiego brings high-quality health care to women and families by putting research into practice, developing solutions to improve health care services, and strengthening the capacity of countries to save lives while building sustainable health systems for the future.

Jhpiego Kenya has been a partner in various health programs since its inception including the USAID-funded Assistance for Population and Health Integrated Programs dubbed "APHIA" among others. It obtains funding from US government agencies mainly USAID and CDC, corporations, private foundations and individual donors. It has partnered and continues to work with both local and international NGOs to implement health programs in Kenya.

4.3   Results of the Study

The objective of the study was to determine the challenges faced by Jhpiego - Kenya Country Office when implementing strategies. To achieve this objective, it was necessary to firstly, understand the organization's strategic management process or other strategies that guide the organization's operations and thereafter determine the challenges of strategy implementation.

4.3.1 Jhpiego's Strategic Management Process

Jhpiego has three levels in its strategic decision-making hierarchy, namely, corporate level, business level and functional level. Corporate-level global strategies are mainly formulated by the leadership team which is based at the Head Office in Baltimore (USA). This team, which is headed by the Chief Executive Officer, comprises senior executives in technical areas in clinical and public health as well as in support functions such as finance, human resources and operations. The team gives statements of direction and strategic intent and is responsible for the ensuring that Jhpiego meets its financial and non-financial performance such as enhancing the organization's image and fulfilling its social responsibilities.

At the business-level, the country managers (herein termed as "country directors") are responsible for translating the corporate strategies into concrete objectives and strategies for their respective countries. They are mandated to identify potential sources of funding, guide the proposal development process as well as offer overall guidance and leadership to all on-going programs or projects in-country. The country directors also act as a liaison between the corporate-level and the functional managers and are participants in the global strategic planning process.

At the bottom of the decision-making hierarchy at Jhpiego are the functional managers (herein termed as "Program Directors or Managers". They are principally the heads of departments (herein termed as "programs or projects") whose main role is to guide development of annual and short-term objectives for their respective programs. They are

also responsible for implementing or executing the program's strategic objectives and are accountable to the country director. These functional manager's must not only ensure that the program's objectives are met to the donor's satisfaction, but also that the available resources are utilized efficiently and effectively. This category of decision-makers also comprises the support functions such as Human Resources, Finance and Administration, and Monitoring and Evaluation.

Jhpiego has been preparing global strategic plans which cover a period of five years since the year 2006 and is currently implementing the second strategic plan for the financial years 2012-2016. Jhpiego Kenya has a rigorous process of strategic planning at the business-level as well the functional-level. It prepares work plans for specific programs or projects mainly because the organization receives funding from different donors, each with different expectations and objectives. According to the interviewees, it is difficult, almost impossible, for Jhpiego Kenya to develop and implement a single strategic plan that would match the requirements of the different programs as well as donor requirements. Jhpiego Kenya's strategic management process typically involves five steps, namely, environmental analysis, identification of strategic objectives, strategy analysis and choice, strategy implementation, and evaluation and control.

Jhpiego Kenya's numerous program-specific work plans range from a year to five years and are further disaggregated into annual operational plans to guide program operationalization and implementation. Even though the actual planning for program activities takes place after the funds have been received from the donor, a lot of the

strategy formulation is done at the funding proposal development stage. During proposal preparation, the organization presents a technical narrative to the potential donor, mostly, in response to a call for proposals from the latter. It is at this point that Jhpiego Kenya identifies and selects strategic partners who would strengthen the organization's bid for the potential source of funds. The organization and its selected partners, thereafter, work together to formulate and develop a funding proposal based on its core competencies and those of the strategic partners. These strategic partnerships are aimed at outsmarting competitors by presenting the donor with a plan that will achieve the donor's objectives in the most efficient and effective way. This consortium of NGOs also prepares a monitoring and evaluation plan, the proposed organizational structure as well as the proposed budget for the anticipated program. It is evident that the process of strategy formulation, implementation, evaluation and control is planned for during the proposal development phase.

Once the funds are received, Jhpiego Kenya and its partners conduct a series of program start-up meetings to plan for program operationalization, monitoring and evaluation. At this phase, the partners deliberate on the donor expectations as well as the rules and regulations contained in the contractual document. It is crucial that the donor's expectations are clarified to all partners before commencement of program implementation. The team then crafts strategies aimed at translating the proposals into actual tactics for the program by designing the overall program work plan and budget and approval sought from the donor. Thereafter, program implementation begins by putting necessary infra-structure, setting up systems and recruitment of staff.

At the beginning of each operational year, key program-specific employees congregate to lay down the annual work plan. These discussions cover all aspects of the program such as budget and administration, the specific deliverables for the project, monitoring and evaluation plans and the reporting requirements by the donor. Jhpiego's program implementers include all staff working on a program such as support teams (finance and administration, human resources, and monitoring and evaluation) and the technical team. The implementation team is directed by a program director with the assistance of senior managers.

The progress of the program implementation is monitored quarterly by means of internal meetings and thereafter meetings with the donor. Deviations from the program are noted and discussed during these quarterly meetings and corrective action suggested. A follow-up of the said recommendations is made in the subsequent quarterly meeting. Additionally, most programs have a mid-term evaluation as well as an end-term evaluation during which an independent team from the donor evaluates the impact of the program versus the envisioned plans. A satisfactory mid-term report is crucial to ensure continued financing for the remainder of the term of the program while a favourable end-term report guarantees the organization's entry into the donor's "good books". A good reputation and a history of good performance are critical factors in determining whether or not the organization will be eligible for additional funding by the donors in future.

On program completion, the organization is expected to formally end the program by conducting a "program closeout" exercise. This is a time-consuming process that must be planned for at program start-up. Ideally, winding up a program starts at 3 to 6 months prior to the end date. During this period, the organization makes plans to transfer assets acquired using program funds to beneficiaries as per the donor's recommendations, and transition the program to local implementing partners or to other NGOs as directed by the donor. It also involves termination or re-deployment of staff, final audit of partner organizations, preparation of final technical and financial reports for submission to the donor, and archiving and shipping of documents for retention at the Head Office.

4.3.2 Challenges faced by Jhpiego during Strategy Implementation

Several challenges of strategy implementation were identified and the researcher has presented these logically from the most influential to the least. The interviewees observed that donors were the most influential in strategy formulation and implementation at Jhpiego. This is mainly because Jhpiego relies fully on donors to finance its operations and as such, these donors virtually control the strategies and the related processes. Donor funding, is more often than not, accompanied by rules, regulations and restrictions which must be adhered to. Additionally, the funds are usually earmarked for specific objectives and cannot, therefore, be diverted to other uses. These restrictions not only dilute the organization's autonomy in the strategy formulation and implementation process, but also create rigidity in the system.

Some donors, especially the United States government agencies such as USAID and CDC, have substantial involvement in programs they fund and as a result, their approval must be sought prior to making certain strategic decisions. Some of these decisions involve approval of work plans and budgets, appointment or change of key staff, change of scope of the program, budget variations, et cetera. These restrictions effectively introduce inflexibility into the strategy implementation process by INGOs. The situation is further complicated by the multiplicity of donors who represent different interests. This finding is consistent with the study by Mobisa (2007) who found that the donors presented the greatest influence on strategy formulation and implementation by INGOs.

The government was identified as the second major challenge to effective strategy implementation at Jhpiego. This is mainly due to the fact that the government of Kenya is Jhpiego's main partner through the twin ministries carved out of the former Ministry of Health (MOH), namely, the Ministry of Public Health and Sanitation (MOPHS) and the Ministry of Medical Services (MOMS). The government exerts considerable influence of Jhpiego's operations and the latter has, in most cases, had to align its way of doing things to match government decisions regarding public health. For instance, the decision to split the former MOH by the coalition government was itself a major distraction to ongoing programs at the time. A most recent example was when the MOPHS launched the anti-polio campaign in several districts in the country effectively leading to postponement of other planned activities by Jhpiego and other INGOs. Mobisa (2007) found that the government presented the second greatest influence on strategy formulation and implementation by INGOs.

Challenges related to human resources were also cited as a major hindrance to effective strategy implementation at Jhpiego. These problems included lack of or inadequate skills of some staff, lack of training programs geared to strategy and strategy implementation, individual resistance to change, inadequate staffing, and poor teamwork. Most interviewees indicated that the organization's recruitment procedure is not fully geared toward strategy implementation. Recruitment is, instead, perceived to be a short-term measure aimed at meeting immediate job needs as opposed to fitting into the wider strategic human resource requirements for the organization.

Additionally, even though Jhpiego has a rich pool of technical skills and competent manpower, the organization lacks a performance measurement system that ties remuneration and rewards to performance. There is also lack of clarity on expected deliverables by staff members and the commensurate rewards. Most interviewees observed that the missing link between performance and rewards has demoralized most employees, and this has reduced effectiveness and efficiency during strategy implementation. It was stated that a majority of employees feel that their efforts are not recognized and that they are not adequately compensated.

Some of the administrative policies and processes were found to be unsupportive to strategy implementation. In some cases employees were not involved in their formulation or review while in other instances it took too long to review existing policies to match changing internal and external environmental conditions. Outdated policies led to conflicts with partners and the community during implementation of program activities.

Some of the existing policies and procedures were said to be cumbersome, rigid and totally unsupportive of strategic change. Others were said to be inconsistent with practice, lacked clarity and were not easily understood.

Another challenge during strategy implementation was the non-participation or inadequate involvement of employees in the strategy formulation process. Whereas Jhpiego involved other stakeholders such as community, donors, the government, and partner organizations in the strategy formulation process, a majority of the employees (who are in essence the strategy implementers) were not sufficiently involved in the entire process. The lack of or inadequate participation by middle-level managers and other employees in the strategic management process has resulted in lack of ownership of the process, and this has served to put another stumbling block to the strategy implementation process. This finding is consistent with the studies conducted by Gioche (2006) who found that whereas most organizations have strategic plans the implementers (the line managers) are rarely involved in the strategic planning process. Muthuiya (2004) also found that non-participation in strategy formulation was one of the major challenges facing non-profit organizations in Kenya.

Inadequacy of financial resources was also cited as a derailing factor to effective strategy implementation at Jhpiego. Even though majority of the interviewees felt that senior management was committed to providing required finances for their departments' operations, the budget limitations and donor restrictions affected the extent to which these resources were allocated. Additionally, the organization has the daunting task of

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managing expectations from the community - which mainly comprises the vulnerable and marginalized in the society. This segment of the population believes that organization has sufficient resources to solve all their problems, with total disregard for the purpose for which the resources were earmarked by the donors. The process of strategy implementation is thus slowed down as the organization invests additional resources to manage expectations of the community.

Additionally, there has been increased competition for funding from other local as well as international NGOs. As a result, Jhpiego has had to allocate time and resources to plan for additional sources of funding in order to guarantee future operations, at the expense of the implementation of ongoing programs and strategies. This finding is consistent with the study conducted by Muthuiya (2004) who found that inadequate resources were one of the challenges facing non-profit organizations in Kenya.

The interviewees cited leadership challenges that affected the implementation of strategies at Jhpiego. These mainly related to non-inclusive strategy formulation, differing senior management leadership style, and top-down approach to decision making. According to the interviewees, a recent change in the top management brought uncertainty into the organization and was met with both relief and skepticism in equal measure.

The interviewees were in agreement that management had adequate technical skills to guide successful strategy implementation and also that senior managers were motivated to support the process. Their opinions on whether all employees were equally motivated to support strategy implementation were divided. Management's effort at galvanizing organization-wide support for strategy implementation was found to be wanting. These findings are consistent with the findings by Ndiao (2001) who found that management played a key role in strategic choice and strategy implementation in an organization.

Jhpiego Kenya has had tremendous growth in terms of staff numbers as well the number of programs in the past four years. This growth has been accompanied by frequent changes to the organizational structure effectively transforming from a flat to a tall structure. The additional layers in the organizational structure have created bureaucracy thereby slowing down the decision-making process. Most of the interviewees felt that the current structure was not fully supportive to effective strategy implementation as it lacked clear reporting lines and was too complicated.

In addition, whereas the Jhpiego Kenya has some autonomy in how it conducts its programs, there is considerable influence from the Head Office. As a result, key decisions must be approved by the leadership team at the Head Office before implementation, thereby resulting in considerable delays.

Ineffective communication was also identified as a challenge to effective strategy implementation. For instance, whereas the interviewees were aware of the existence of the global strategic plan, most were not privy to its contents. Instead, most managers were restricted to the work plans relating to their particular programs. The interviewees also stated that, at times, communication from top management on the organization' strategic direction was inadequate or ineffective. Communication channels were equally inadequate between senior management and lower-cadre staff.

Collaborative arrangements exist between INGOs in the Kenya health sector in the form of consortiums, networks and joint arrangements in the implementation of projects. Managing strategic alliances and trying to coordinate people who represent different organizational backgrounds and cultures was identified as a hurdle towards effective strategy implementation. It is an exercise that requires people management skills, negotiation skills and patience.

Other challenges to strategy implementation mentioned were complexity of operations due to existence of multiple programs; inadequate information systems that did not match current needs thereby leading to duplication of effort; slow response to the changes in the external environment; implementation taking longer than anticipated; and failure to anticipate problems during strategy implementation which result in wasted resources used for corrective actions.

Most interviewees were unanimous that most of the aforementioned challenges were not unique to Jhpiego but were applicable to other NGOs in the health sector as well. However, some challenges especially those related to human resources and administrative systems were more organization-specific. Additionally, most of the challenges were universal to the organization and not department-specific.

Further, a majority of the interviews believed that the organization has the infra-structure and capability necessary to successfully implement strategies. It is interesting to note that contrary to findings by previous studies (Muthuiya, 2004), most interviewees unanimous agreed that Jhpiego's culture of innovation was supportive to strategy implementation and that it was this culture that has propelled the organization to its current status.

4.4   Interpretation of the Results

The influence from donor community was cited as the greatest challenges faced during strategy implementation by Jhpiego. Johnson and Scholes (2002, p. 145) observed that the external environment influences an organization's strategy development and implementation by creating both opportunities and threats. Donors, who are key sources of finances for most NGOs, exert considerable influence on strategy formulation and implementation. These financial resources, mainly distributed in form of grants, cooperative agreements or contracts, are often accompanied by stringent rules and regulations, and specific deliverables that must be met before the program's term comes to an end. Managers of INGOs must, as a result, be cognizant of donor requirements at all times and modify their approaches to fulfilling these expectations.

Jhpiego, like most NGOs, runs numerous programs which may be funded from different donors or from the same donor but for different objectives. Each donor brings in a set of rules and regulations, objectives and expectations that the recipient organization must abide by in a bid to guarantee future funding. Although the donors are quite likely not to be the direct beneficiaries of the services offered, they nevertheless have considerable influence on how NGOs formulate and implement strategy. "The fact that multiple sources of funds are likely to exist, linked to the different objectives and expectations of the funding bodies, might also lead to a high incidence of political lobbying, difficulties in clear strategic planning...", Johnson and Scholes (2002, p.30). Strategy implementation in INGOs should, therefore, be tailor-made to match the requirements of the specific donor, and this has been a great challenge to most NGOs as it may translate to duplication of effort.

Political lobbying was also identified as one of the major impediments to effective strategy implementation. This is mainly due to the fact that Jhpiego's main partner is the Government of Kenya - through the Ministry of Public Health and Sanitation (MOPHS) as well as the Ministry of Medical Services (MOMS). Political decisions and pronouncements affect strategy implementation at Jhpiego in many ways.

INGOs, like all other organizations, are dependent on the environment and are also influenced by it. Managers of these organizations must, as a result, be alert to environmental changes and provide for built-in flexibility in their systems to cope with the unpredictable business environment. The organization's strategy and its implementation process should not be static, but innovative, flexible, dynamic and

continually evolving (Ansoff and McDonnell, 1990, p.25; Thompson and Strickland, 1989, p.33). For effective strategy implementation, NGOs in the Kenya health sector must be in touch with the political developments and pronouncements affecting public health.

The other hindrances to successful strategy implementation relates to human resources and these included lack of or inadequate skills of some staff, lack of training programs geared to strategy and strategy implementation, individual resistance to change, inadequate staffing, poor teamwork, and lack of performance-incentives fit. According to Howe (1986, p.95), effective strategy implementation requires that the organization puts "...the right people in the right places to ensure that the strategy has the best chance of success". Additionally, a competent human resource pool would give a firm a distinctive competence in performing strategy-critical tasks (Thompson and Strickland, 1989, p.284).

Once competent staff to spearhead strategy implementation have been identified, they must be provided with adequate incentives to motivate them attain the strategic targets. It is not enough to have good strategies and competent staff to implement these strategies. Clear targets must be set, monitoring devices established and a compensation plan structured to provide incentives for strategy implementers to work toward achieving the set targets (Howe, 1986, p. 102; Pearce et al., 2011, p.342).

Some of the administrative policies and processes at Jhpiego were found to be unsupportive to strategy implementation. Policies should not act as a hurdle to the strategy implementation process by introducing rigidity. Instead they should be clearly understandable, have in-built flexibility, reduce uncertainty in repetitive decision-making, offer uniformity in handling similar situations and ensure quick decisions (Pearce and Robinson, 2010, p.332). In addition, they should be reviewed regularly and with the participation of employees to ensure that they are in sync with the environment. Successful strategy implementation requires a fit between the chosen strategy and the internal systems and processes.

Non-participation or inadequate involvement by employees in the strategy formulation process was also stated to be one of the challenges faced during strategy implementation at Jhpiego. According to Thompson et al., (2008, p.359), successful strategy implementation requires teamwork between those who have the strategy-executing responsibility (the managers) and the participants in the strategy execution process (all the employees). Strategy formulation and implementation should not be separated, but be considered as "two sides of the same coin" (Wheelen and Hunger, 2008, p.215). Employees, who in essence are the eventual strategy implementers, should be actively involved in strategy formulation to incorporate their inputs as well obtain their buy-in for successful implementation of chosen strategy.

Inadequacy of financial resources was also cited as a derailing factor to effective strategy implementation at Jhpiego. Once excellent strategies have been crafted, management must allocate adequate resources to ensure that these strategies are translated into actions. Lack of sufficient knowledge, overprotection, organizational politics, and too much emphasis on short-run financial criteria can hinder effective resource allocation (David, 1990).

Successful strategy implementation requires effective leadership, not only in words, but also in deeds. It would be foolhardy to try to separate strategy implementation from effective organizational leadership. Strategic leadership entails obtaining commitment to the strategy and its accomplishment, as well as constructive use of power and politics to build consensus and support for strategy. Management must have the technical as well as the people-skills necessary to galvanize the entire organization in support of chosen strategies.

Strategies cannot be implemented effectively if the organization lacks the infra-structure to translate strategies into actions. To this end, it is imperative that managers ensure that the organization's structure and culture are strategy-supportive. Additionally, the managers must facilitate communication of chosen strategies across the organization to ensure that they are clearly understood by all. There must be a tight fit between the organization strategy and how the organization conducts its operations (Muthuiya, 2004; Awino, 2000; Oyugi, 2007).

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1   Introduction

The researcher sought to determine the challenges faced by Jhpiego - Kenya Country Office when implementing strategies. This chapter presents a summary of the research findings and the conclusions. It also gives the limitations of the study as well as the recommendations for further research.

5.2   Summary of Findings

The challenges faced by Jhpiego Kenya during strategy implementation emanated from both external and internal sources. The major external factors that determined the success or failure of strategy implementation were the donors (who are the major sources of funds for Jhpiego Kenya) and the government (the organization's key partner in the Kenya health sector). Additionally, there were some internal challenges that greatly impacted on the effectiveness and efficiency of strategy implementation. These mainly related to human resources and comprised low staffing levels, inadequate training programs to support strategy implementation, recruitment processes that are not strategy-supportive, as well as ineffective or inadequate rewards-performance incentives.

Other internal and external challenges cited during the study were leadership problems arising from bottom-down approach decision-making style, inadequate resources,

inflexible administrative systems and policies, non-participation of employees in strategy formulation, ineffective communication of strategy, unsupportive organizational structure, problems of managing strategic partnerships, and managing expectations from the community (the organization's customers).

5.3   Conclusion

Successful strategy implementation is dependent on both internal and external environmental factors. The external environment influences an organization's strategy development and implementation by creating both opportunities and threats (Johnson and Scholes, 2002, p. 145). Managers of INGOs in the Kenya health sector must, as a result, be cognizant to changes in the external environment and ensure that their organization's strategy is adaptive to these changes. They must pay particular attention to the influence of donors on their organization's operations as well as keep track of political decisions and government pronouncements that may have an impact on public health and consequently, their organization's operations.

Additionally, the strategy implementation plans must take into account internal organizational factors that may determine the success or failure of the strategy. Managers must ensure that the organization has the infra-structure and organizational capability necessary for effective and efficient strategy implementation. This includes providing strategic leadership, strategy-supportive organizational structure, adequate resources, galvanizing commitment to strategy, and flexible administrative policies.

5.4   Limitations of the Study

The study was successfully conducted but not without certain limitations. Firstly, it was not possible to interview all the top executives and middle-level managers due to their busy schedules. The researcher and the interviewees were also constrained by time and had to reschedule some of the interviews due to other competing priorities.

Secondly, whereas strategic management has a wide scope covering strategy formulation, implementation and evaluation and control, the study was restricted to the challenges of strategy implementation. As such, the researcher did not explore other aspects of the strategic management process outside the scope of the study.

Finally, the study was a case study and as such focused on the challenges of strategy implementation in only one organization. Since strategic management is sensitive to the context in which it is practiced, the findings of this research should be interpreted within the context of the case under study.

5.5   Recommendations for Further Research

Firstly, as this research was a case study on Jhpiego Corporation Kenya, the study could be replicated in another INGO to test the applicability of the research findings in a different context. Secondly, additional research in the form of a survey could also be conducted on the challenges of strategy implementation across INGOs in the Kenya health sector to find out if the challenges are uniformly experienced in other INGOs.

Thirdly, a study on the entire strategic management process at a health-related INGO could be conducted to determine if there are other inherent factors that present obstacles to successful strategy implementation. More research on the strategic management process in other non-health-related INGOs would also be useful in exploring the challenges faced during the strategic management process in these organizations.

5.6   Implications of the Study on Policy, Theory and Practice

The findings of the study have several implications on policy, theory and practice for players in the not-for-profit sector. Firstly, it is apparent that the INGOs in the Kenya health sector, like all other organizations depend on their environment for their survival. The unpredictable environmental changes shape opportunities and challenges facing these organizations. Consequently, successful strategy implementation will largely be determined by how managers of these organizations adapt and align their strategies to these changes.

One of the most influential components in the macro-environment is the donor community. The donors are essentially the key source of finances for INGOs and consequently have tremendous influence on strategy formulation and implementation. They, technically, hold the key for success or failure of the strategy implementation process. Managers of INGOs must, consequently, be on the lookout for donor requirements and expectations, and continuously explore strategic ways of ensuring compliance. They must ensure that there are mechanisms in place to foster flexibility in their organization's policies in response to donor requirements.

Secondly, the influence of the government on operations of INGOs in the Kenya health sector cannot be underestimated. The government's impact is manifested through political decisions and actions or inactions of government agencies. Therefore, INGOs need to lobby the government to publish favourable legislation and policies to support their operations as well create a conducive environment for charitable organizations. Managers of these INGOs can only ignore the government's influence at their own risk and peril.

The internal environment should equally be given appropriate attention if the chosen strategy is to have any chance of success. INGOs must, firstly, ensure that right people are put in the right places. A competent and sufficient pool of human resources would give the organization a distinctive advantage necessary for effective and efficient strategy implementation. Additionally, the strategy implementers (all employees) must be adequately compensated and motivated to ensure that intended results are achieved. Managers must also exercise strategic leadership and strive to galvanize organization-wide support for strategy and its implementation. This may be achieved through participatory strategy formulation and inclusive decision making.

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Appendix I: Letter of Introduction

Moses Ng'ang'a,

P.O. Box 13513-00800,

Westlands, Nairobi

2nd September 2011

The Country Director,

Jhpiego Corporation,

P.O. Box 66119-00800,

Nairobi

Dear Sir,

RE: CHALLENGES OF STRATEGY IMPLEMENTATION AT JHPIEGO CORPORATION KENYA

My name is Moses Ng'ang'a, Registration No. D61/75172/2009, a student at the University of Nairobi - School of Business. I am currently pursuing a Master of Business Administration degree course in Strategic Management.

I intend to conduct a research entitled **"Challenges of Strategy Implementation at Jhpiego Corporation Kenya".** I am kindly requesting you to allow me to conduct in-depth interviews with some of your senior staff and departmental heads. The results of this study will be purely for academic purposes and a copy will be availed to you upon completion.

Thank you

Yours Faithfully

Moses Ng'ang'a

Appendix II:

Interview Guide for Senior / Functional Managers

1) Does Jhpiego have a Strategic Plan? For how long has this organization been preparing Strategic Plans? How many years do these cover?

2) Please describe Jhpiego's Strategic Management process? Does the organization have other strategies besides what is in the Strategic Plan? Please elaborate.

3) Who are the organization's strategy implementers?

4) What are the main challenges Jhpiego faces while implementing chosen strategies?

5) Are these challenges unique to Jhpiego or do they also apply to other organizations?

6) Do you think Jhpiego has the organizational capability to successfully implement the chosen strategies? Please elaborate.

7) To what extent does the current organizational culture affect strategy implementation?

8) Does the current organizational structure support strategy implementation? Please explain.

9) To what extent do administrative support systems (policies, procedures, information systems and controls) affect strategy implementation? How often are these revised and by whom?

10) How committed is management in providing financial support to strategy implementation?

11) Do you think management provides the necessary leadership for achievement of strategic objectives? Please elaborate.

12) How does management deal with internal politics that may derail strategy implementation?

13) How does management galvanize commitment and support for strategy in the organization?

14) Is the management adequately skilled to ensure successful strategy implementation? Please explain.

15) How motivated are top management and employees in supporting strategy and its implementation?

16) Does the organization have the required technical skills and manpower to implement chosen strategies?

17) Does the organization's policy on recruitment support strategy implementation?

18) Do you think the organization's training and development programs are aligned to the requirements of chosen strategies? Please explain.

19) Are performance appraisals, rewards and incentives linked to attainment of strategic objectives?

20) Who are the organization's key strategy-makers? Are employees involved in the strategy formulation process? If yes, to what extent?

Thank You for Your Time.

UNIVERSITY OF NAIROB

SCHOOL OF BUSINESS

MBA PROGRAMME

DATE.   —

TO WHOM IT MAY CONCERN

The bearer of this letter......$^{OA\,c}$.   ..."

Registration No.................:.........L. .:.... ......\

is a bona fide continuing student in the MasteF of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her cotrsework assessment a research project report on a management problem. We would like the students to do their projects on real problems' affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

LJj

IMMACULATE OMANO
MBA ADMINISTRATOR   -
MBA OFFICE, AMBANK HOUSE