FACTORS INFLUENCING STRATEGY FORMULATION AND IMPLEMENTATION OF BIBLICA AFRICA IN KENYA

BY

SYLVIA NYAMBURA KIMANI

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT FOR THE REQUIREMENTS OF THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA), SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

OCTOBER, 2011

DECLARATION

This research project is my original work and has not been submitted for a degree course in this or any other university.

Signed_____ Date_____

Sylvia Nyambura Kimani

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

Signed_____ Date_____

Mr. Eliud Mududa

Lecturer, Department of Business Administration,

School of Business,

University of Nairobi

ACKNOWLEDGEMENTS

DEDICATION

This project is dedicated to my mother Ms. Mary W. Kimani for her relentless effort and love towards me. In the same way you made a prayer request for me to come into this world, mine is to make sure that I always do you proud so I undertake the brave walk in the discipline of strategic management. Also dedicate this work to my fiancé John Muthomi for his motivation, direction and unconditional support.

ABSTRACT

The objective of the study was to determine the factors influencing the strategy formulation and implementation of Biblica Africa in Kenya. Case study method was used to achieve this objective. Data was collected by use of an interview guide. Data was qualitative in nature hence analyzed using conceptual content analysis. The study found that strategy has helped break down the major aspects of Biblica vision which are 'everyone', 'gets God's word' and 'are transformed'. BOD, GELT, and AMT are involved in strategy formulation. Factors that are taken into account when setting objectives include product, time, personnel, political and economic climate while factors that affect goals of the organization and its future success include finances, translation projects, and personnel. Factors that align the organization's performance with its intended plans include finances, translations, technology and branding. Simplicity, customization, financial capacity, personnel, and market indicators form the criteria used when choosing the organization's strategy. GELT, ALT and NDs are involved in strategy implementation. Strategy implementation affects Biblica's finances, information communication technology (ICT), and human resources as they are important elements in steering the direction of the organization. When equipping those involved in strategy implementation, Biblica considers the expected results, financial, branding and reputational aspects. The global BOD approves strategy while GELT communicates and monitors strategy implementation. Control mechanisms put in place to monitor strategic implementation include reporting, monthly meetings and visits by the AMT. Challenges encountered in formulating and implementing strategy in Biblica include finances, personnel related issues and contextualization. The criteria used when choosing the

organization's strategy reflects the factors that align the organization's performance as well as factors that affect goals of the organization and its future success. This study recommends that the government through its regulatory agencies should consider the goals and objectives of Biblica Africa Kenya to enable contextualization of its strategy in Kenya. Biblica Africa Kenya should consider more diverse financially sustainable projects to enhance its operations. The study also recommends the inclusion of national directors in the strategy formulation stage.

TABLE OF CONTENTS

LIST OF ABBREVIATIONS

ALT – Area Leadership Team

AMT – Area Management Team

BOD – Board of Directors

GELT - Global Executive Leadership Team

IBS – International Bible Society

NDs – National Directors

NIV – New International Version

STL– Send the Light

UBS – United Bible Society

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Businesses and their respective environments are not constant but rather continuous and highly dynamic in nature culminating in high levels of uncertainty. Technology shifts and markets mature with time, consumer preferences change as competition intensifies, the quality of business alters and the value of resources shifts. These developments will likely result in increases in the uncertainty, complexity of business operations and competition. Changes in the external environment make a firm's previous strategy obsolete and a new strategy becomes a requisite for continued success which can lead to failure if managers fail to think strategically and employ new strategies in the face of increased competition and environmental turbulence (Rowe *et al,* 1994).

Chandler (1962) defines strategy as the determination of basic long term goals, objectives of the enterprise, the adoption of courses of action and the allocation of resources necessary for carrying out these goals. Minztberg's (1978) views strategy as more of a pattern or a stream of major and minor decisions about an organization's future domains. These decisions take on meaning only as they are implemented through the organization's structure and processes. An organization's strategy can be best inferred from its behavior, though one can conceptually associate strategy with intent and structure with action.

Strategy and operations must be intimately interlinked for unity of purpose. However, there's no universally accepted method for establishing unity of purpose between strategy

and operations. Strategic management theorists believed that strategy and operations would have unity if strategy and structure were interlinked. Chandler (1962) argues that strategy drives structure and structure follows strategy. Peters and Waterman (1982) tend to differ with Chandler and bring forth the McKinsey Framework, which explicitly considers how strategy interrelates with other organizational factors. They argue that a productive organization is not simply a matter of structure, although strategy is critical. But that an effective organizational change is really the relationship between strategy, structure, systems, styles, skills, shared values and staff.

Biblica as an organization falls under the category of not for profit organizations. As a religious ministry, sponsor and translator which are altogether distinctive, being in essence an organization with spiritual mission. Howe (1997) observes that while the purposes of not for profits organizations may vary, their approaches to strategic planning are essentially the same. This is in line with what Porter (1980) states that every firm competing in an industry has a competitive strategy whether explicit or implicit. This strategy may have been developed explicitly through planning process or it may have evolved implicitly through activities of the various functional departments of the firm. Essentially, for management of all organizations they are responsible for all the decisions taken the actions thereof.

1.1.1 Strategy Formulation and Implementation

The traditional concept is that managers formulate strategies and then implement them. However, in reality thinking and action are inseparable. The discrepancy between the

formulated strategy and that implemented has been made visible in discussions concerning emergent strategies for quite some time (Mintzberg, 1978).

Some literature emphasizes the importance of implementation above that of strategy content. One such example is, Wheelen and Hunger (1991) who argue that poor implementation of an appropriate strategy can result in the failure of that strategy, but good implementation will ensure the success of an appropriate strategy as well as redeem an otherwise less appropriate strategy.

Successful implementation of an appropriate or inappropriate strategy may still mean failure of the organization in achieving its strategic objectives. It may mean a firm being unable to cope with competition, wastage of the organization's resources and inability to yield the desired strategic results.

An organization's success can only save a strategy if and only if it is coupled with formulation, such that changes can be made in the strategy as it is implemented and managed. Beaudan (2001) states that, managers must not only pay to close attention to the substance of strategy, which they naturally do but, also to how the bridge between strategy and implementation is built.

1.1.2 Religious Organizations in Kenya

Religious organizations are many but the researcher's main focus is on Christian organizations. For organizations to be sustainable in the market, they need to know that the extents to which new strategies are built on, given their resources and competence

strengths which are also crucial. In order for strategy implementation to be successful the structure and the processes are key success factors. Aosa (1992) defines structure as the configuration of a company showing the relationships that exist between the various parts of the organization. The process elements include leadership, culture, resources and administrative procedures. Structure in an organization should be compatible with the chosen strategy.

Religious organizations have organizational structures and core values which aid them in the fulfillment of their mission. International Bible Society for example is a global ministry which guides most religious organizations with offices in more than forty five countries around the world, one of them in Kenya. It operates in a management-type structure, that is, an affiliation structure of separate boards. It has very clear vertical reporting lines in which each area board comes alongside the Area Director or the National Director in an advisory role.

Early ministry began in New York City. Supported by local churches, the Bible Society (now IBS) distributed Bibles in hotels, hospitals, jails, aboard ships, on street corners, and to immigrants clearly showing that they made sure their products were widely placed enabling geographic expansion.

In 1992, IBS merged with Living Bibles International to further expand its worldwide translation and distribution capabilities. The merger brought IBS ministry centers in Africa, Europe, Latin America, the Middle East, East Asia, and South Asia. This was a way for the religious organizations to access various markets and expand globally.

Religious organizations are currently pursuing 3-5year goals with the intent of reaching billions of people with the Word of God at a price they can afford. Their primary audience globally being children and youth, those in the midst of crisis or disaster, prisoners and Christian leaders, primarily in developing countries, who lack Scriptures and/or formal training. This shows that they already have a target market and have segmented it which will be used to pave the way forward.

The organizations intend to reach their audiences through their core competencies of ministry, Bible translation and outreach by distributing a wide variety of Scripture products through every available media, internet, software, video, audiocassettes, and radio, as well as through traditional print media. This shows that they are using the sources of available technology to make it possible. Technology and electronic delivery of content is rapidly allowing ministries and others to reach a majority of the population in the world. The technology being used includes mobile phones, internet ready computers and e-book readers, which are facilitating the delivery of content including text, audio, and other media formats.

Religious organizations work in affiliation with other ministries and with local churches and denominations. Their outreach capabilities are greatly expanded as they provide God's Word to others who have well-established distribution channels around the world with a network of ministry centers staffed by national Christians. This is global resource development at its best.

Religious organizations in Kenya are increasingly able to reach the world, not only because of technology strategy, but because of the Global structures which include leadership strategy with leaders who are fully resident in their geographic areas taking responsibility in their designated locations.

Their organizational strategy shows leadership since their boards have the ultimate responsibility for setting the direction, vision, mission, and strategy for the ministry. The executive leadership team is normally responsible for executing the strategy and day-to-day management. Leadership is needed for effective implementation of strategy, as this will ensure that the organization effort is united and directed towards achievements of its goals (Pearce and Robinson, 1998).

Kenyan religious organizations are also taking up both financial and economic strategies in order to be financially independent for their core operations and sustain themselves by becoming self-sufficient through securing their economic resources in a variety of ways to gain revenue and wealth from the sale of various goods and services.

The culture of worship style and religious practices are being tailor-made to suit the kind of markets these organizations are in so as to spur sustainability and growth in a dynamic market.

1.1.3 Biblica Africa in Kenya

Biblica Africa serves the Church in Africa by providing God's Word and biblical resources to transform people's lives. Biblica is the translation Sponsor and Ministry publisher of the New International Version (NIV) of the Bible, the most widely read and trusted contemporary English translation.

Biblica Kenya was founded in 1979 in Nairobi, Kenya. Last year the firm celebrated 35 years of service to Kenyans and its environs. It operates countrywide with offices in Nairobi and a depot in Kisumu, committed to transforming lives through God's Word.

The company's mission is to transform lives through God's Word. It celebrates more than 200 years in ministry, providing God's Word to guide people into a spiritual encounter with Jesus Christ. Their purpose is to help people mature in their spiritual formation through translation, publishing and Bible engagement. The authority Biblica Kenya is under Biblica Africa which involves several partners like local churches and ministries to provide the Bible and biblical resources in vernacular languages. They translate and sell bibles, Christian books and offer both accommodation and food and beverage services.

Biblica partners with other church ministries to offer outreach programs, Bible distribution capabilities, and community Bible experiences to support their efforts and help people engage with the Bible.

Biblica is increasingly able to reach the world, not only because of technology, but because of a Global structure which includes leaders who are fully resident in their geographic areas of responsibility. Its core strategies are accomplished through

translation, publishing and bible engagement. Biblica translates the Bible into languages spoken by one million-plus speakers, has completed more than a hundred languages. It produces translations and biblical resources to meet the needs of people in different cultures, conditions and beliefs.

1.2 Research Problem

Mintzberg (1978) states that planning theory postulates that the strategy-maker "formulates" from on high while the subordinates "implement" lower down. Unfortunately, this assumption is based on two assumptions which often prove false: that the formulator is fully informed or is at least well informed as the implementer and that the environment is sufficiently stable or predictable to ensure that there will be no need for reformation during implementation.

However, these conditions are hardly fulfilled since most organizations and their environment is neither stable nor predictable. This is no exception for Biblica (Africa) where the structure of the organization is such that they have different heads in each country. Strategists are not always endowed with all of the information before making decisions due to information asymmetry and are therefore forced to make decisions with what they have as new information arising, forcing them to reconsider earlier held assumptions. These heads make independent decisions even though their business should be more or less the same in terms of strategy. The organization will need to categorize the critical factors it identifies as relevant.

Managers as human beings are encountered by the challenge of bounded rationality and they tend to work in autonomy from each other and dividing duties to perform and represent each other as one. Decision making then tends to be subjective instead of objective. Management formulates the strategies but these become difficult to implement because the organization heads and administration need to meet and agree on the way forward which is a rare event. Implementation therefore becomes even more difficult because of the lack of understanding and co-ordination by the administration. This then affects the monitoring and evaluation of the progress since the strategy has not been received and addressed well from the start. It leads to a collapse of the formulation-implementation sequence where there is learning, feedback and intentions modified en route resulting in emergent strategy. It is important for the organization to address these critical factors when developing, implementing and managing global strategies.

This is not simply an issue of instructional design. It is an issue of organizational structure and management strategies, tactics, decisions, processes and resources that need to be employed to manage the design and development of the organizations strategies. Research has been carried out in various industries but not much has been done on religious organizations which have been avoided due to their sensitivity in nature. This then leads to the research question posed here, what are the issues and considerations that the organization needs to address in order to develop, implement and manage effective strategies?

1.3 Research Objective

The objective of the study was to determine the factors influencing the strategy formulation and implementation of Biblica Africa in Kenya.

1.4 Value of the Study

The strategic management process is rather challenging for most organizations. The benefits of organizations thinking strategically are only realized over time. This is why this study will be useful to the donor community and the various sectors involved in religious issues and the firm will be more sensitized on the actual strategy formulation and implementation process.

The study is expected to stimulate further research in this area of strategies adopted by religious organizations to be used by the academia and the interdenominational bodies. On the academic front, the study will increase the body of knowledge in the area of strategic management in Kenya and improve literature on factors that have helped firms thrive in the market.

The study is also expected to be of value to Biblica Kenya in identifying the strategies that can be implemented to realize optimum results of their objectives and goals and also improving the firm's understanding of the role various factors play in the achievement of organizational objectives.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter covers pertinent literature to this study which was be analyzed. It includes the work done by various writers, researchers and authorities in the area of strategy, its formulation and implementation concepts.

2.2 Concept of Strategy

Strategy may be defined as the broad program and goals to help as organization achieve success. Strategy is the match between an organization's resources and skills, the environmental opportunities and risk it faces, and the purposes it wishes to accomplish (Schendel and Hofer, 1978). The environment is changing rapidly and it is important for an organization to constantly adapt its activities to reflect the new requirements of the environment. Having a strategy therefore enables the organization to ensure that the operational decisions fit in with the long term interests of the organization.

By strategy, managers mean their large-scale future oriented plans for interacting with the competitive environment to achieve company objectives. A strategy is a company's "game plan" (Pearce and Robinson, 1991). Although that plan does not precisely detail all future deployments of people, finances and materials, it provides a framework for managerial decisions. Further to this, a strategy reflects a company's awareness of how, when and where it should compete, against whom it should and for what purposes it should compete.

A firm's strategy can be defined as a deliberate search for a plan of action that will develop an organization's competitive advantage and compound it. The search begins with where you are and what you have now (Grant, 1998). Daniels et al (2002) define strategy as the specific group of decisions managers take to maximize their company's performance. They further argue that the concept of strategy in international business is important because some companies perform better than others within the same environment and performance differences relate largely to the various decisions managers make and their abilities to carry out these decisions. Performance differences of firms in the same environment are thus brought about by differences in strategy and its implementation.

Strategy is the direction and scope of an organization over the long term. It prepares the organization to face its complex external environment and using its corporate capability, develops responsiveness to anticipated threats and opportunities. The firm will not be able to conquer the challenges of the future if it does not have the capabilities to do so.

Markets are extremely competitive due to liberalization of the world trade and investment environment. This pits international competitors against each other in efforts to operate in a profitable and sustainable way in the global market place. According to Hill (2005), to be profitable in such an environment, "a firm must make a clear strategic choice with regards to its position on the efficiency frontier and take actions at the operational and strategic level that support this position". Strategy according to Hill is about "taking

actions that will lower costs of value creation and / or will differentiate the firm's product offering" Hill (2005).

The decision about the choice of foreign market or nation to enter is of strategic importance to a firm since some nations have a comparative advantage over others in certain industries. The decision impacts greatly on the scale of resources commitment and has far reaching implications on future performance of the business Zhao and Decker (2004).

Ansoff (1990) identifies distinguishing characteristics of a strategy. The successful use of strategy requires strategic feedback. Although both strategy and objectives are used to filter projects they are distinct in that objectives represent the ends which the firm is seeking to attain while strategy is the means to the end. Objectives are higher level decision rules and a strategy may be valid under a set of objectives and loose validity when the objectives of the organization change. Strategy and objectives are interchangeable. Thus some attributes of performance can be an objective of the firm at one point and its strategy at another.

2.3 Strategy Formulation

The process of strategy formulation results in no immediate action, rather it sets the general directions in which the firm's position will grow and develop. Therefore strategy must next be used to generate strategic projects through a search process. The role of strategy in search is first to focus on areas defined by the strategy and second to filter out and uncover possibilities which are inconsistent with the strategy. Thus, strategy becomes

unnecessary whenever historical dynamics of an organization will take it where it wants to go that is, when the search process is already focused on the preferred areas.

The main critical phase of strategic management is not only formulation of strategies but also translating the thoughts into action. Hitt *et al* (1997) argue that when formulating strategies, thought must be given to implementation. At the time of strategy formulation, it is not possible to enumerate all the project possibilities that will be uncovered. Therefore strategy formulation must be based on highly aggregated, incomplete and uncertain information about courses of alternatives.

Managers' greatest challenge is in formulating appropriate strategies that will ensure a firm's continued success in the future while giving it a sustainable competitive edge over its competitors. Drucker (1984) states that the end product of management is decisions and actions. By formulating and managing strategy, the organization endeavors to match the skills and resources of the organization to the opportunities found in the external environment. The decisions and actions taken will lead to the development of an effective strategy which will help to achieve organizational objectives.

2.4 Strategy Implementation

Strategy implementation boils down to managing change and the resistance thereof, and is where the real test to the success of a strategy lies. While strategy formulation is entrepreneurial and involves visionary as well as theoretical perspective, implementation is basically, administrative and involves bringing change by working through other people, organizing, motivating, culture change building and finding the optimal fit

between strategy and the organization structure. The implementation process may involve significant changes in the organization structure, culture and systems (Pearce and Robinson, 1998).

For strategy implementation to be successful the structure and the processes are key success factors. Aosa (1992) defines structure as the configuration of a company showing the relationships that exist between the various parts of the organization. The process elements include leadership, culture, resources and administrative procedures. Structure in an organization should be compatible with the chosen strategy.

Pearce and Robinson (1998) raise the following issues in relation to strategy implementation; first, setting measurable annual objectives. This means breaking down the organization's long term objectives to short term goals. Secondly, developing specific functional strategies; this basically calls upon management to set policies of how things should be done in each department all efforts being harmonized to achieving the organizational long term objectives. Thirdly, is to allocate organizational resources to the budgetary items. Resource allocation depicts management's commitment to actions.

2.5 Factors Influencing Strategy Formulation and Implementation

A critical look at the strategic management literature reveals that there are some key factors that are considered to be of great significance for the integration of strategy formulation and implementation to occur. They include involvement of middle line managers and employees in strategy formulation and implementation, interrelationship

between strategy and the elements of McKinsey's Framework, translation of strategy into short term goals and objectives, strategy as a continuous step by step process.

The involvement of middle line managers in the strategy formulation process is paramount if the strategy is going to be successfully implemented. Thompson and Strickland (2003) observe that when managers who implement the strategy are also its architect, it is hard for them to shift blame or make excuses if they do not achieve the target results. Johnson and Scholes (2003) state that there is evidence that middle managements involvement can and does provide real benefit in the development and implementation of strategy. Managers tend to have deeper understanding of the strategy through involvement and a sense of ownership of the strategy even before the implementation process begins. Mintzberg (1987) suggests that in an organization where the implementer is the formulator, innovations can be incorporated into strategy quickly and easily.

Beyond the involvement of middle line managers, Gadiesh and Gilbert (2001) observe that it is more beneficial to involve all employees in the strategy process by pushing decision making from the chief executive's office to the far reaches of the organization. To drive such behavior, a company needs to give employees mandate broad enough to encourage enterprising behavior but specific to align employees' initiatives with the company strategy.

Gadiesh and Gilbert (2001) suggest that when the strategic principle is well crafted and effectively communicated, managers at all levels can be trusted to make decisions that advance rather than undermine the company strategy. The McKinsey framework views the interrelationship of strategy formulation and implementation. It helps managers' to focus attention on the importance of linking the chosen strategy to a variety of activities that can affect the implementation of that strategy. This framework should be thought of as a set of seven sets of direction which when aligned the company will be organized. Peters and Waterman (1982), further suggest that the various elements of the McKinsey Framework interrelate and a change in one of them will or may lead to a change in the other elements for example, a change in structure or culture may lead to a change in strategy, systems, styles among others.

Kaplan and Norton (1996), state that the balanced score card should translate a business mission and strategy into tangible objectives and measures. They contend that the BSC is more than a tactical or an operational measurement system. It depicts an organization's vision of the future and strategy to the entire organization and thus creating a shared understanding. The BSC creates a holistic view of the strategy that allows all employees to see how they contribute to organizational success. It enables management reports to focus on measures selected to represent the organization's strategy.

Pettigrew and Whipp (1993) suggested that strategic change can be viewed as a continuous process, rather than one with distinct stages such as formulation and implementation. They argue that the hallmark of the processual dimension is that strategy

does not move forward in a direct, linear way through easily identifiable sequence phases. But the pattern is much more appropriately seen as continuous interactive and uncertain process.

Strategy development does not end when implementation starts. The two processes are interrelated and overlap (Aosa, 1992). An organization's management team should perform the strategy making and implementation well to determine the organization's success. Both formulation and implementation are critical to achieving the strategic competitiveness and earnings of the organization.

Koske (2003) states that effective implementation begins during strategy formulation when questions of how to do and what to do should be considered parallel to each other. Quinn *et al* (1988) argue that in reality, formulation and implementation are intertwined as complex processes in which politics, values, organizational culture and management styles determine or constrain particular strategic decisions.

Pierce and Robinson (2003) are accredited for analyzing strategy formulation and implementation. They look at the process as one that starts with defining the mission of the organization. Mission statement of an organization guides future executive action. It is the fundamental unique purpose that set apart from other firms of its type and identifies the scope of its operations in products and market terms. Howe (1997) observes that not for profit organizations tend to take their purposes for granted, to assume that everyone knows and agrees on why the organization exists. But differences soon emerge when members of a group seek to define the purpose.

2.6 Challenges related to the underlying Strategies of Religious Organizations

There have been religious trends with the post Christian era in the Global North, growth of Muslim religion, and declining Bible reading which are major hurdles for future ministry. This has made ministry and market penetration more difficult with the variety of religions to choose from. Porter (1980) details that the real substance, the biggest most important differences among competitive strategies boils down to whether the company market target is broad or narrow, and whether by pursuing a competitive advantage linked to low costs or product differentiation, the organization will continue to thrive.

The number of not-for-profit ministries continues to increase in tandem with competition for fundraising and available, exploitable resources. There are major growth opportunities for fundraising in Canada, the UK and developing countries around the world. However, it is important to note that fundraising is becoming increasingly difficult with the current global economic trends. The uncertainty of the source of income is the same that faces the business environment when predicting the income the organization is going to make during a specified time period.

Due to commercial publishing, various models for example the Zondervan/Hodder model continue to be important for religious organizations. This poses a challenge regarding ease of publishing and the channels organizations will need to go through just to move forward considering that new royalty paying publishers must be contracted around the world. There is therefore need for flexibility to ensure progress of the organizations activities to enable sustainability.

The organization's challenge in strategy implementation is the understanding of the strategy being adopted by its leaders. The business units prepare the plans and they are approved by the departmental leaders. There is a big gap between strategy formulators, approvers and implementers. Guth and Macmillan (1986) studied strategy implementation versus middle management self-interest, and concluded that middle managers who believe that their self-interests are being compromised can not only redirect a strategy, delay its implementation or reduce the quality of its implementation, but can also even totally sabotage the strategy.

Due to the growth of digital products, change in buying channels, and decline of print sales; new value propositions, new contracts, and new partners will be critical in order to allow growth and sustainability within these organizations.

These challenges can be overcome by building a balanced scorecard, which clarifies and identifies the few critical drivers of strategic success. It translates the vision and strategy into a few strategic themes that can be communed' and acted upon (Kaplan and Norton, 1996). Kaplan and Norton (1996) developed the Balanced Scorecard, which combines a number of quantitative and qualitative measures of the selected strategy. While recognizing that every strategy is unique, they then identify four strategy perspectives, which are the financial perspective, customer perspective, internal perspective and innovation and learning perspective.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The section presents an overview of the methods used in the study. Areas covered include the research design, data collection and analysis.

3.2 Research Design

The research was conducted through the case study method. This is because it enabled the researcher to have an in-depth understanding of the behavior of the subject case study. The study used primary data which allowed face-to-face encounter and the collection of an in-depth data.

A case study is a powerful form of qualitative analysis that involves a careful and complete observation of social unit, irrespective of what type of unit is under study. It is an ideal methodology when a holistic, in-depth investigation is needed (Feagin, Orum & Sjoberg, 1991). Cooper and Schindler (1998) emphasize on the value of personal interview when they stated that it enables in-depth and detailed information to be obtained. Consequently, the research was designed to achieve the objectives set out by the researcher.

3.3 Data Collection

The focus of study was on the factors influencing the strategy formulation and implementation therefore the importance of primary data cannot be over-emphasized. However, secondary data was also collected to augment the studies. Before the actual data collection the researcher collected an introductory letter from the university was

given to the multinational Biblica as the organization of study. The initial visit to the selected organization was therefore to introduce and familiarize herself with it as well as seeking their consent for the study. The researcher collected data by administering an interview guide. The interview guide used open ended questions, consisting of approximately 23 questions divided into three sections 'A', 'B', and 'C'. Section 'A' is the general section which consisted of three questions, section 'B' which covers strategy formulation consisted of nine questions whereas section 'C' which is on strategy implementation consisted of ten questions. All those sections sought to answer the research questions. The informants included the Chief Director and Director of all departments (2), a Coordinating Officer and management staff of the organization mainly in the administration department (2), and the head or assistant of their guest house each represented by one individual (2).

3.4 Data Analysis

The collection of data was qualitative in nature, and analyzed using conceptual content analysis. Content analysis is defined by Nachmias and Nachmias (1996) as technique for making inferences by systematically and objectively identifying specific characteristics of messages and using the same approach to relate trends. The main purpose of content analysis is to study existing information in order to determine factors that explain a specific phenomenon (Mugenda, 2003).

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the data analysis, study findings and discussion. The study sought to determine the factors influencing the strategy formulation and implementation of Biblica Africa in Kenya. Six respondents were interviewed and the findings are presented in three sections namely general information, strategy formulation, strategy implementation.

4.2 General Information

The researcher wanted to know how Biblica's strategy has contributed to its vision. Respondents were categorical that the strategy has helped break down the major aspects of the vision which are 'everyone', 'gets God's word' and 'are transformed'. The respondents quoted Biblica's vision that states 'the work of Biblica shall be complete when everyone in the world gets God's word and is transformed'.

The researcher further wanted to know whether there are major revisions that Biblica has made on its strategy. The respondents indicated that this was done when Biblica changed its vision after the merger between IBS and STL, and earlier when Living Bibles International became IBS. The changes were brought about by the change of name which implied change of the governing bodies, the staffs, the financial base and the brand.

In an effort to understand the Biblica operational environment, the researcher wanted to know how finances, human resources, geographic location and political climate affect

both strategy formulation and implementation at Biblica. The respondents affirmed that there has to be financial allocations to allow executives to sit and deliberate on strategy formulation and the implementation of the same.

According to the respondents, human resource is also critical as strategy is a reflection of the brains behind an organization, therefore when an organization has the right people then it has the right strategy. Human resources also define who participates in the formulation because this ultimately affects the implementation.

Geographic location is regarded as equally important by the respondent given that Biblica is a global organization. This means that there are some local specifications that need to be considered. This therefore necessitates that the strategies formulated by the highest body have to be generic enough to allow customization and fitting in local contexts.

Due to the global presence of Biblica, there are areas that it has faced challenges to the extent that specific strategies cannot be disclosed publicly due to the insecurity of some places. The translations have to be carefully done because if certain people of a certain divide are dissatisfied it may as well mean the failure or the success of the translation in terms of it being accepted by the users.

4.3 Strategy Formulation

The researcher sought to establish the level of involvement in strategy formulation at Biblica. The respondents were asked to explain the organization structure first and then

indicate who are involved in strategy formulation. They indicated that Biblica has a global office in the United States (US) that has a global Board of Directors (BOD) and the Global Executive Leadership Team (GELT). At the continental level there is a Group Vice President (GVP) who works with the Area Management Team (AMT) and the Area Leadership Team (ALT). The ALT works with countries National Directors (NDs) who are in charge of their local staffs.

On involvement in strategy formulation, the respondents said that the global BOD approves strategies that are presented to them by the GELT. GELT members consult with their AMT and contribute to the formulation. The role of the GELT is to ensure that the organization has clear directions on what should be going on at least in the next 3, 5 and 10 years. The AMT ensures that local contexts are considered so that the end results are easily customized when sent out to the national offices.

The researcher also wanted to know the kind of challenges that Biblica has encountered when choosing who to involve in strategy formulation. The respondents cited availability of personnel and delay on agreeing on certain specific strategies owing to the diversity of staff and the fact that Biblica has evolved from other organizations. In an effort to adopt cost cutting measures and embracing technology to hold meetings online, Biblica has faced a challenge because being a global organization, it is hard to get a convenient time for everyone therefore not everyone has their best contribution during such meetings.

The respondents were asked to indicate the factors they take into account when setting objectives and how they have aided in deployment of resources. The respondents cited product, time, personnel, political and economic climate. The respondents said that the market needs specific products therefore the need to deliver these products dictates how they allocate resources. They then set an achievable objective regarding products based on financial capability. Time is equally of essence. How long it takes a product to be available to the customers or how long it takes to complete a translation project will set out the payback period and the strategy statement. The respondents also indicated that they consider whether they have the quality and quantity of staffs required. This means getting the right people on BOD before rolling out Biblica strategies. Resources will therefore go towards sourcing for the right persons. Political and economic climate matters a lot. The more politically and economically stable the more resources are likely to be invested in a certain country.

The researcher delved deeper to seek an explanation as to the factors which affect the goals of the organization and its future success. Three factors were common among the respondents and they include financial, translation projects, and personnel. The respondents explained that Biblica endeavors to not only breakeven but also build financial reserves therefore building a strong financial base. Translation projects form a major pillar therefore the need to ensure that the correct projects are chosen, the best experts are handling them and there is enough financial allocation to the projects. On personnel, the respondents agree that the right people always outlive their legacies, therefore Biblica source and equip them.

The respondents were asked to indicate the factors they consider when evaluating the organization's environment and how environmental scanning affect its strategy formulation. The respondents indicated that they consider the products available, the pricing, the quality and the availability of the same. This helps in creating a niche for Biblica's products and also contributes in brand building. It also helps in choosing whether to differentiate or go low cost. When collecting information and conducting both qualitative and quantitative review of the organization's existing product line, the respondents indicated that they consider price, quality, availability, customer base, economic climate, reputation of the brand. Asked whether they set any quantitative targets and how they contribute to the strategy formulation decisions. The respondents agreed and added that the price for example directly affects the strategy because they could get low cost products or develop a niche. The volumes to sell and the time by which to close a sale also affect the strategy formulation.

The respondents said that financial, translations, technology and branding are the factors that align the organization's performance with its intended plans. They added that the plan therefore is to build a financially sound organization. Translations will enhance the plan to have everyone access a Bible in their language. Biblica also, according to the respondents, seek to embrace technology so that God's word is available in all possible formats. Biblica also aims at being the 'Bible people' therefore all activities are geared towards ensuring that Biblica becomes every household's name as far as Biblical materials and resources are concerned.

The researcher wanted to know the criteria used when choosing the organization's strategy and the considerations that were taken into effect. Five issues were raised by the respondents. They cited simplicity, customization, financial capacity, personnel, and market indicators. Simplicity was important because strategies have to be discussed across the globe and the simpler they are, the better. The aspect of allowing the strategy to be customized and fit in the local context was equally important given diversity across the globe. Financial capacity was considered critical as the successful implementation of any strategy depends on available finances. The right people always take the organization to its best place hence the need to consider human resource. Market indicators in this case basically are the Biblica's products price and quality as compared to those of competitors.

4.4 Strategy Implementation

The researcher wanted to know who is involved in strategy implementation. The respondents said that GELT, ALT and NDs are involved in strategy implementation because they are part of the team that formulated them therefore best placed to implement the same. The respondent further wanted to know how strategy implementation affects Biblica's finances, information communication technology (ICT), and human resources. The respondents agreed that there is clear direction on how finances are used and therefore budgeting is more focused and result oriented. The fact that Biblica embraces technology and wants Gods word to be available in all possible formats means that it keep abreast with technological innovations and also invest in state of the art ICT. All aspects of a strategy need people to run it. The respondents understood this as they

asserted that Biblica hires the best and invests in them in terms of training and development so that they are well equipped to implement strategies.

The researcher further wanted to know how the organization carries out communication on its strategy during implementation. The respondents indicated this is done through reporting and monthly meetings. Reporting is done monthly, quarterly and half yearly. There are also monthly meetings by the ALT, half yearly meetings by the GELT and the global BOD. During these meetings, progress is assessed and feedback given. Any corrective action is also discussed and agreed on.

The respondents were asked to indicate what Biblica consider when equipping the people involved in strategy implementation. The respondents indicated that the expected results, financial, branding and reputational aspects of Biblica are considered. The researcher further wanted to know how structure influence strategy during its implementation at Biblica. The respondents indicated that as the global BOD approves strategy, GELT communicates and monitors strategy implementation. In this process, sometimes feedback is not acted on as quickly as required and due to the long time it takes for the GELT to meet some feedback will have been rendered redundant. Besides, the contextualization of strategy may be something that is never agreed on therefore delays implementation.

Respondents were asked to indicate whether they consider reward as affecting the strategy. They were also asked to indicate the forms of reward that facilitate strategy

implementation at Biblica. They said that staff rewarding definitely works for anything to take place in the organization. They also indicated that Biblica implements annual staff salary increments and annual bonuses.

On the factors considered when determining the appropriate leadership to formulate or implement a strategy, the respondents said so long as an individual has been part of the GELT, ALT or ND, they are good to go. The respondents also indicated that culture has impacted in strategy implementation at Biblica both positively and negatively. There are some national offices that are starting a new therefore the strategies being rolled down are highly welcome, accepted and implemented. In national offices where they have evolved with Biblica, there is a lot of resistance to change therefore lots of information and training is done in such places to eventually implement the strategy. The respondents were asked to state the control mechanisms put in place to monitor strategic implementation or take corrective action. They cited reporting, monthly meetings and visits by the AMT. On the major challenges encountered in formulating and implementing strategy in the organization, the respondents cited financial, personnel related (especially where change management is concerned) and contextualization as not all that is contextualized remains in its original state.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter covers the summary of the study that entails its objective, methods of achieving the objective, and the findings. It also present the conclusions based on the study findings and give recommendations.

5.2 Summary

The objective of the study was to determine the factors influencing the strategy formulation and implementation of Biblica Africa in Kenya. The study was expected to be of value to Biblica Kenya in identifying the strategies that can be implemented to realize optimum results of their objectives and goals and also improving the firm's understanding of the role various factors play in the achievement of organizational objectives. The study was also expected to stimulate further research in this area of strategies adopted by religious organizations. Case study method was used to meet the objective of this study. The researcher collected data by administering an interview guide. The interview guide used open ended questions, consisting of approximately 23 questions divided into three sections 'A', 'B', and 'C'. Section 'A' is the general section which consisted of three questions, section 'B' which covers strategy formulation consisted of nine questions whereas section 'C' which is on strategy implementation consisted of ten questions. Four interviews were purposively conducted and data analyzed using content analysis method.

It was established that strategy has helped break down the major aspects of Biblica vision which are 'everyone', 'gets God's word' and 'are transformed'. Biblica was also found to have revised its strategy in line with its evolvement and mergers with other organizations. Biblica operational environment is affected by finances, human resources, geographic location and political climate.

BOD, GELT, and AMT are involved in strategy formulation. GELT ensures that the organization has clear directions in the next 3, 5 and 10 years. AMT ensures that local contexts are considered. Availability of personnel and delay on agreeing on certain specific strategies owing to the diversity of staff and the fact that Biblica has evolved from other organizations are some of the challenges faced when choosing who to involve in strategy formulations.

Factors taken into account when setting objectives included product, time, personnel, political and economic climate. The factors that affect goals of the organization and its future success include finances, translation projects, and personnel. Factors that align the organization's performance with its intended plans included finances, translations, technology and branding. Simplicity, customization, financial capacity, personnel, and market indicators form the criteria used when choosing the organization's strategy.

GELT, ALT and NDs are involved in strategy implementation because they are part of the team that formulated them. Strategy implementation affects Biblica's finances, information communication technology (ICT), and human resources as they are

important elements in steering the direction of the organization. The organization carries out communication on its strategy during implementation through reporting and monthly meetings.

Biblica consider the expected results, financial, branding and reputational aspects when equipping the people involved in strategy implementation. As the global BOD approves strategy, GELT communicates and monitors strategy implementation sometimes feedback is not acted on as quickly as required and due to the long time it takes for the GELT to meet some feedback will have been rendered redundant. Culture has impacted in strategy implementation at Biblica both positively and negatively. The control mechanisms put in place to monitor strategic implementation or take corrective action include reporting, monthly meetings and visits by the AMT. The major challenges encountered in formulating and implementing strategy in Biblica include finances, personnel related issues and contextualization.

5.3 Conclusions

The use of strategy in operationalization of Biblica's vision is a suitable response to its operational environment. Biblica is an evolving organization that has merged with other organizations. This calls for a flexible strategy that will enhance such engagements. In its operations, Biblica is also affected by finances, human resources, geographic location and political climate hence the need to factor them in strategy formulation and implementation.

Biblica organizational structure is not complex which makes it easier for strategy formulation and implementation. The challenges are encountered at the contextualization level and specific strategies which do not significantly affect Biblica objectives and goals. These challenges are expected owing to the global nature of the organization and its historical background.

The criteria used when choosing the organization's strategy reflects the factors that align the organization's performance as well as factors that affect goals of the organization and its future success. GELT and ALT who are involved in strategy formulation forms the implementation team. This is important for continuity and ensuring that the original initiatives that culminated into are strategy are completed. Communication takes an important place at Biblica where it forms part of control mechanisms put in place to monitor strategic implementation or take corrective action. The major challenges encountered in formulating and implementing strategy in Biblica revolve around finances, personnel and contextualization. This explains why Biblica strategic plan is directed at addressing these issues.

5.4 Recommendations

This study recommends that the government through its regulatory agencies should consider the goals and objectives of Biblica Africa Kenya to enable contextualization of its strategy in Kenya. This could be done for other like-minded religious organizations too.

The study also recommends that Biblica Africa Kenya should consider more diverse financially sustainable projects to enhance its operations. Bible translation projects alone cannot guarantee growth into the future. Biblica Africa Kenya should also embrace technology at the global level as well as local level to advance its goals in the backdrop of ICT revolution. The study also recommends the inclusion of national directors in the strategy formulation stage as they are an important part of the implementation team. Further study should be done to establish the relationship between strategic management of religious organizations and their performance.

REFERENCES

Ansoff, H. (1990). *Implanting Strategic Management*. 2nd Edition, Prentice Hall.

Aosa, E. (1992). An Empirical Investigation of Aspects of Strategy Formulation and Implementation within Large, Private Manufacturing Companies in Kenya. University of Strathclyde (Scotland): Unpublished PhD Dissertation.

Beaudan, E. (2001). The Failure of Strategy. *Ives Business Journal.*

Biblica Africa. Retrieved from
http://www.biblica.com/scripture-ministry/region/africa

Biblica Kenya. Who we at Biblica Kenya. Retrieved from
http://biblicakenya.com/index.

Chandler, A.D. (1962). *Strategy and structure:* Chapters in the History of the American Industrial Enterprise, Cambridge. MA. MIT Press.

Cooper, D.R., and Schindler P.S. (1998). *Business research Methods.* McGraw-Hills, New York.

Daniels, J.D., Radebaugh, L.H., and Sullivan, D. P. (2002). *Globalization and Business*. Prentice-Hall of India.

Drucker, P.F. (1984). *The Practice of Management*. Harper and Row. New York.

Feagin, J., Orum, A., and Sjoberg, G.(Eds.). (1991). *A case for case study.* Chapel Hill, NC: University of North Carolina Press.

Gadiesh, O., and Gilbert, J.L. (2001). Transforming Corner-Office Strategy into Frontline Action. *Harvard Business Review.*

Grant R.M. (1998). *Contemporary Strategic Analysis.* Concepts, Techniques and Applications. Blackwell Publisher, Massachusetts, Third Edition.

Guth, W.D., and Macmillan, I.C. (1986). Strategy Implementation versus Middle Management Self-Interest. *Strategic Management Journal.*

Hill, C.W.L. (2005). *International Business – Competing in the Global Market Place*, Tata McGraw-Hill.

Hitt, M.A., Ireland, R.D., and Hoskisson, R.E., (1997). *Strategic Management: Competitiveness and Globalization.* 2nd Ed. Minneapolis: West Publishing.

Johnson, G., and Scholes, K. (2003).*Exploring Corporate Strategy.*6th Ed. London: Prentice-Hall Europe.

Kaplan, R.S., and Norton, D.P. (1996). *The BSC: Translating Strategy into Action.* Boston. Harvard Business Press.

Koske, F.K. (2003). Strategy Implementation in Public Corporations: A Case of Telkom Kenya Limited. University of Nairobi: Unpublished MBA Project.

Mintzberg, H. (1978). *Patterns of Strategy Formulation*. Management Science.

Mintzberg, H. (1987). Crafting Strategy. *Harvard Business Review*

Mugenda,O.M., and Mugende,A.G.(2003). *Research Methods, Quantitative & Qualitative Approaches*. Act Press, Nairobi.

Nachmias, V.F., and Nachmias, D. (1996). *Research Methods in the Social Sciences*. Pitman publishing, Nairobi.

Pearce, J. A., and Robinson, R.B. (1991). *Strategic Management: Formulation Implementation and Control*, Fourth Edition, Richard D. Irwin Inc.

Pearce, J.A,.and Robinson, R.B. (1998). *Strategic Management: Formulation, Implementation and Control*. McGraw-Hill.

Peters, T., and Waterman, R.H. (1982). *In Search of Excellence: Lessons from America's Best Run Companies*. New York: Harper and Row.

Pettigrew, A., and Whipp, R. (1993). *Managing Change for Competitive Success.* U.K Blackwell Publishers.

Porter, M. E. (1980). *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. New York, Free Press.

Quinn, J.B., Mintzberg, H., and James, R., (Eds) (1988). *The Strategy Process: Concepts, Contexts and Case.* U.K. Prentice-Hall International.

Rowe, A.J., Mason, R.O., Dickel, K.E., Mann, R.B., and Mockler, R.J. (1994). *Strategic Management: A Methodological Approach.* 4th Ed. USA: Addison-Wesley.

Schendel, D. E., and Hofer, C. W. (1978). *Strategic Management a View of Business Policy and Planning*. Boston. Little Brown.

The Second Annual International Conference on Industry and Higher Education. Industry and Higher Education: Bridging The Gap in a Global Knowledge Economy. *A Journal of the KIM School of Management*, Volume 3.

Thompson, A.A., and Strickland, A.J. (2003).*Strategic Management: Concepts and Cases*. 13th Ed. Boston: McGraw-Hill.

Wheelen, T.L., and Hunger J.D. (1991). *Strategic Management and Business Policy.* 5th Edition Reading. Addison-Wesley.

Zhao, X., and Decker, R. (2004). Choice of Foreign Market Entry Mode – Cognitions from Empirical and Theoretical Studies, Diskussionspapier Nr.512, FakultatfurWirtschaftswissenschaften, UniversitatBielefield. Retrieved from http://bieson.ub.uni-bielefeld.de/volltexte/2001/507/pdf/m_entry.pdf

APPENDICES

Appendix I: Interview Guide

Section Research Question Investigative Questions

'A'

1. What needs to be addressed about the support and coordination of strategies in the organization?

2. Are you aware of the role a nation plays in your organization?

3. How important do you think is the role of management to your organization?

'B'

1. What actions are necessary to establish the factors in terms of priority as the actions needed to influence strategic decisions in the organization?

2. Generally, how will you rank the relevance of these factors in your organization?

3. What reasons account for your answer above?

4. What actions are necessary to get the support of management in the implementation of all those strategies?

5. Are there any specific business benefits as a result of implementing the various strategies?

6. What are the notable changes within your departments that have been necessitated by the various strategies?

7. What are the key benefits of the strategic development and implementation in your department?

'C'

1. Is there a link between the quality of service the organization should provide for its customers and the attitude of managers towards their functions?

2. What do you consider to be the highest achievement of your organization?

3. Would agree to the statement that one's perception of strategic factors is influenced by how others perceive the role of the company?

4. What is the relationship between the factors and the strategies applied by the organization?

5. How have the financial and economic strategies contributed to the level of sound financial management?

Appendix II: Organization Chart
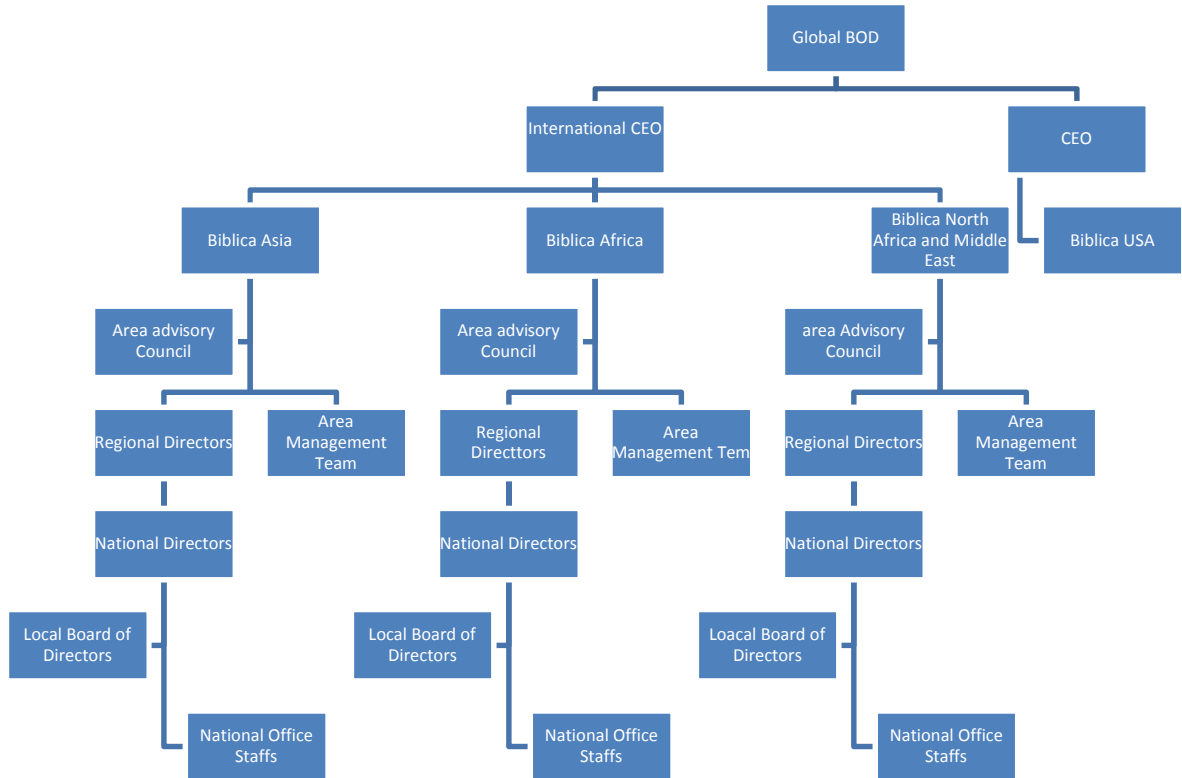
Appendix III: Letter of Introduction

<div align="right">

Sylvia Nyambura Kimani

D61/72862/2009

</div>

Biblica Africa, Kenya

P.O Box 60595 – 00200

Nairobi

Dear Sir/Madam

<div align="center">

<u>Re: Request for Research Data</u>

</div>

I am a Postgraduate student at the University of Nairobi pursuing a Master of Business Administration (MBA) degree. My research project topic is "FACTORS INFLUENCING STRATEGY FORMULATION AND IMPLEMENTATION OF BIBLICA AFRICA IN KENYA". The purpose of the research is to to determine the factors influencing the strategy formulation and implementation in religious organizations with a focus on Biblica Africa, Kenya.

Attached are questions that have been designed to guide the researcher gather data from the respondents with respect to this purpose. Kindly facilitate the data collection necessary by granting permission for interviews with Biblica Africa, Kenya officials. The information sought is purely for academic purposes. Thank you in advance for your cooperation.

Yours Faithfully,

Sylvia Nyambura Kimani