CHALLENGES OF STRATEGY IMPLEMENTATION AT NATIONAL CEREALS AND PRODUCE BOARD, KENYA

By

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DECLARATION

This is my original work and has not been presented for a degree award in any other university.

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

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To my family members who have been very supportive and inspiring throughout the program.

Finally my sincere thanks go to National Cereals and Produce Board management who graciously gave their time to answer my research questions.
DEDICATION

I would like to dedicate this research project to my Dear wife Everlyne Naswa and my daughter Michelle Monchari for their moral support.
ACRONYMS AND ABBREVIATIONS

**GOK**  Government of Kenya

**NCPB**  National Cereals and Produce Board

**SGR**  Strategic Grain Reserves

**WRS**  Warehouse Receipting System
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ABSTRACT

The environment in which organizations operate in the current business world is dynamic and affects both the private and the public sector players. The constant changes in the business and operation environment require organizations to continuously adapt so as to address the challenges as they arise. Crafted strategies need to be successfully implemented for the organization to achieve its intended purpose. NCPB crafted a strategic plan in the year 2009 to cover the period 2009-2013 and the strategic plan was launched in June 2009. This management research study focused on the challenges of strategy implementation at NCPB and to determine the measures taken by the organization to address those challenges. To achieve the study objectives a case study design was adopted where primary data was collected through an interview from departmental heads and secondary data from availed organizational documents. The respondents indicated that the major challenges of strategy implementation encountered by NCPB were organizational structure that is incompatible with the new strategy, resources constraint, government policies, external factors, resistance to change, bureaucracy and non adaptive culture. The study also sought to establish the measures taken to address the challenges which include; lobbying, ensuring approvals for budget on time, stakeholder’s involvement, improving accessibility to credit and reducing dependency on the exchequer. The organization faced challenges during strategy implementation and took measures to address those that were within management ability. The findings of the study are consistency with other earlier studies on the topic and serve to show that strategy implementation is indeed a challenging activity. The study recommends alignment of the organization structure as articulated in the strategic plan 2009-2013 to ensure the achievement of financial independence and profitable operation for survival besides appropriate resource mobilization to ensure efficiency and effective plan execution.
CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Strategic management has evolved over time from when it was first used in the army to being opened up in a variety of ways and notions of emergent strategy. Formulating strategy is a difficult task for any management teams but making the strategy work by implementing it is even more difficult. Organizations in the current business environment are increasingly facing multiple challenges that greatly impact on their survival. As a result, all organization need some form of strategic planning in order to survive in the current turbulent business environment (Pearce and Robinson, 1997, Hrebiniak, 2006).

According to Kaplan and Norton (1992), strategic planning presents unique challenges to most organizations whether private, public or nonprofit entities due to lack of effective approach to plan and execute strategy. A strategic plan is a management tool that interfaces between the organization and its environment. This is so because organizations do not operate in closed systems but have to constantly interact with the environment in which they operate.

Pearce and Robinson, (1997), assert that strategic management is a set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company’s objectives. A strategy is a plan that is crafted to give an organization a competitive edge over other players in the industry or market place. Due to increased competition and globalization of the market place, organization are finding it necessary to draw up deliberate plans that address the challenges they are facing to maintain their
relevance. Strategic management is a process usually carried out at the top management level as it requires top management decisions and involvement. Such decisions require commitment of huge amounts of the firm's resources and affect a firm in the long run (Johnson and Scholes, 2002, Thompson and Strickland, 2003).

Hrebiniak (2006) contend that making strategy work presents a formidable challenge. A number of factors such as politics, resistance to change cause a major setback hence without carefully planned execution, strategic goals cannot be achieved. David (1997) asserted that 10% of formulated strategies are successfully implemented while 90% of well formulated strategies fail at implementation stage. The reasons advanced for failure in strategy implementation include; fit between strategy and structure, allocation of resources, organizational culture, leadership, rewards system and the nature of strategy itself. Organizations have to strike a balance between all these factors in order to ensure that crafted strategies are put into action.

Several studies such as David (1997), Hunger and wheelen (2005) and Bryson (2005) indicate that inadequate resources allocation, lack of fit between strategy and structure, poor compensation systems, resistance to change, lack of effective communication, lack of clear understanding and lack of coordination and support are challenges facing strategy implementation. Reviewed literature indicates that firms face a number of challenges in strategy implementation and the Kenyan public sector has seen a number of institutions going into receivership. This shows that organizations both in the private and the public face challenges in execution of their plans hence cannot be expressed to an exception.
The National Cereals and Produce Board embarked on the implementation of its strategic plan 2009-2013, which was a second following the review of the strategic plan 2005-2010, at a time when Kenya was launching the Vision 2030. The country is experiencing challenges especially in food production, management and marketing of essential grains and pulses such as maize, rice, wheat and beans. The challenges are compounded by global and regional issues such as poor food production, severe food shortages, rising food and oil prices, climate change and rapid technological changes. At the national front the major challenges for NCPB include food shortages, negative public perception and the requirement to increase the Strategic Grain Reserve (SGR) from the current four million bags to eight million bags and improve commercial trading (NCPB Strategic Plan, 2009).

1.1.1 Strategy Implementation

According to Harrington (2006) strategy implementation is an iterative process of implementing strategies, policies, programs and action plans that allow a firm to utilize its resources to take advantage of opportunities in the competitive environment. Schaap (2006) defines strategy implementation as senior level behaviors and activities that will transform a working plan into concrete reality. Aosa (1992) assert that once strategies have been developed, they need to be implemented as they are of no value unless they are effectively translated into actions. For strategy to have an impact on the organization’s success, the developed strategic plan must be put into action through implementation. Prahalad and Gary (1990), the benefit of strategy is not just offering simplification and consistency to decision making, but the identification of strategy as the commonality and
unity of all the enterprises decisions also permits the application of powerful analytical tools to help companies create and redirect their actions.

Johnson and Scholes (2002) contend that understanding strategic position of an organization and considering the strategic choices open to it is of little value unless the strategies that managers wish to follow can be turned to organizational actions. Pearce and Robinson (2007) categorize components of strategy implementation that managers have to take into consideration during implementation into; the structure, systems, shared values and leadership. The stronger the fits created between these components, the greater the chances of successful strategy implementation. Bryson (2005) the purpose of strategy implementation is to complete the transition from strategic planning to strategic management by incorporating adopted strategies throughout the relevant system.

Aaltonen and Ikavalko (2001) assert that transforming strategies in action is a far more complex, difficult and challenging undertaking and therefore not as straight forward as one would assume. The particular challenges that will face strategy implementation will depend on a number of factors and the type of strategy. Cocks (2010) concluded that important factors that help implement strategic plans in service, manufacturing, not for profit and public sector organizations are; integration of strategy formulation and implementation, effective execution, focused leadership of the right people, visible management systems to communicate widely and use of project management techniques to deploy the strategic plan. There are many organizational characteristics which act to constrain strategy implementation and these are; organizational structure, culture, politics and management style.
1.1.2 The Grain Sector in Kenya

Kenyan policy towards grain marketing has gone through a series of distinct periods of transformation. The colonial government tightly controlled the maize and wheat sector to provide economic support to white settler farmers in the Kenya highlands. After independence in 1963, this control was maintained for another 27 years for several reasons: First, the control guaranteed an orderly and efficient marketing with a reasonable balancing and stabilizing of producer and consumer prices. Second, the control assured food security through strategic reserves by the state boards. Third, the controls ensured regulated domestic movement of maize with strict management of imports and exports. Implicitly the state had supply of maize and wheat at cheap and stable prices.

Ikiara, Juma and Amadi (1993) observed that policy reforms in the Kenyan Agricultural sector emphasized liberalization of the grain market and removal of price controls for all agricultural commodities. The government agreed to realign export crop prices to world market prices, but reform in the grain marketing system proved difficult to implement. Further, he noted that, the implementation of reforms since 1991 was not impressive and was characterized by considerable official ambiguity and covert and overt resistance. Nyangito (1999) noted that the liberalization of trade in the grain sector led to increased import of food stuffs into Kenya and this enhanced competition. This situation accelerated the pace of reforms by bringing into light a new set of corporate challenges.

East Africa Grain Council (2009), Maize accounts for over 70% of total grain production in Kenya annually. Any grain production and trading must therefore take cognizance of
the maize supply chain in the country. Maize marketing during the pre-liberalization era consisted of formal and informal systems operating side by side. The formal maize marketing system was strictly regulated and managed by National Cereals and Produce Board (NCPB). The informal system was free, unregulated and unofficial with many market participants operating parallel to the formal system. NCPB did not provide a guaranteed outlet for maize for all farmers and did not supply maize to many rural areas. The vacuum left by NCPB was the opportunity that the informal system exploited. The informal system which had an extensive network of rural markets and traders handled 50-60% of all marketed maize in Kenya, notwithstanding the restricted movement and price controls.

1.1.3 National Cereals and Produce Board

National Cereals and Produce Board (NCPB) was established in 1939, when the colonial Government formed the maize and produce Control Board to regulate the operations of the regional market board. In 1979, the GOK established the NCPB by merging the Maize and Produce Board with the Wheat Board of Kenya in order to streamline the management, handling and marketing of grains. The NCPB Act, Cap.338, was subsequently enacted in 1985 making the NCPB a corporate body. Under the Act the Board was given monopoly powers to purchase, store, market, and generally manage cereals grains and other produce in Kenya. NCPB regulated the whole grain chain with a controlled price system. However, due to increased food production, the cost of managing such subsidized cereals marketing system turned out to be a heavy burden on
the exchequer. The government started a reform program in 1988, leading to the full liberalization of the grains sector in 1993. This not only removed the Government regulatory role through NCPB, but also weakened the institution and created gaps in the grain sector (NCPB Strategic Plan, 2009-2013).

The reforms have since forced the once monopoly and regulator to re-examine its purpose and role in a liberalized environment. NCPB’s commercialization Project was undertaken between 1996 and 1997. The key objective of this program was to transform NCPB into a commercially viable entity, free to make independent commercial decisions whilst removing dependency on the Exchequer. The reforms have since forced the once monopoly and regulator to re-examine its purpose and role in a liberalized environment.

In the year 2002 the NCPB diversified into the marketing of various agricultural inputs such as fertilizers and certified seeds as part of the strategy of enhancing efficient cereal production through the use of affordable quality inputs. This move was undertaken in response to farmers’ requirements and the need for the NCPB to take advantage of its extensive network which enabled it to move these essential inputs closer to the farmer. Currently, NCPB is vested with the responsibility of being a GOK tool for grain price stabilization, logistics support services provider for Strategic Grain Reserves (SGR) and Famine Relief Stocks (FRS), and a commercial grain trading organization. NCPB has 110 depots and silos spread out across Kenya with a total storage capacity of 1.8 million metric tons of grain.

To survive in the current competitive grain industry, the participants in that industry have to adopt strategic management to aid them to success in the competitive environment in
which they operate. Further, the government requires all public organization to develop and implement strategic plans as a means of performance improvement in the public sector. NCPB has a five year strategic plan that runs through the year 2009 to 2013. East Africa Grain Council (2009), NCPB reforms are long overdue, the NCPB strategic plan is not available in the public domain and stakeholders had not been consulted on the proposed warehouse receipt system and commodity exchange. It is upon this background that this study is formulated to establish the challenges that NCPB has faced in implementing its strategic plan and the measures taken to address those challenges.

1.2 The Research Problem

The environment in which organizations operate today is very dynamic and highly unpredictable. All organizations in both the public and private sector need strategic plans to boost and improve their performance. Formulation of good strategic plans does not guarantee an organization success unless the plans are institutionalized and operationalized to yield results. According to David (1997), only 10% of strategies formulated are successfully implemented while Wang (2000) notes that 65% of organizational strategies are not implemented successfully. Raps and Kauffman (2005) assert that the success rates of intended strategies are unsatisfying at between 10% and 30% percent. Aaltonen and Alkavalko (2001) transforming strategies into action is a far more complex, difficult and challenging undertaking and therefore not as straightforward as one would assume.
The National Cereals and Produce Board is charged with the responsibility of ensuring grain price stabilization in Kenya, accumulate appropriate strategic grain reserve levels and provide logistics for transportation and storage of grains in areas where there is need besides operating as an independent commercial entity. The Board has experienced a number of challenges ranging from lack of funds to pay farmers on time, non maintenance of appropriate strategic grain reserve levels leading to shortages in times of need, grain price escalation in the market and continuous poor performance. The organization has only returned a positive operational result once in its entire operational life time. Carrying out commercial activities of trading in grains and farm inputs has been hampered by parallel political pronouncements and government subsidy programs that are implemented through the same organization. East Africa Grain Council (2009), NCPB reforms are long overdue, the NCPB strategic plan is not available in the public domain and stakeholders had not been consulted on the proposed changes in the strategic plan. The organization has diverse stakeholders who present a number of challenges in attempting to ensure that their interests are taken care of hence the organization must balance the interests of all stakeholders which is an enormous task. These are some of the pointers toward most probable existence of impediments in attempting to implement the strategic plan.

Various scholars have carried out studies on different aspects of strategy implementation challenges in various parts of the world. They include, Harrington (2006) in Canada food service sector, Lehner (2004) in Austria among top 136 upper firms and Schaap (2006)
on Nevada Gaming Industry in USA. Locally a number of studies have been done focusing on private and public sector organizations in Kenya. The scholars include Koske (2003), focused on the telecommunication industry, Machuki (2005) focused on Motor vehicle industry, Wambugu (2006) focused on education sector, Aruamonyang (2009) focused on development authorities, Musyoka (2009) focused on manufacturing industry, Kinyua (2010) focused on petroleum services industry and Ndonga (2010) focused on information technology industry among others.

Unlike the previous studies on challenges of strategy implementation in Kenya, this proposal intends to study the grain sector as an important sector which affects the lives of Kenyans directly. The strategy implementation challenges that apply to the areas of study so far done may not necessarily apply to NCPB on organizational context. This is so because organizations differ in terms of structure, resources employed, environmental influences like politics and leadership style among other factors. There exists a knowledge gap which this study intends to fill the question: What are the challenges of strategy implementation at National Cereals and Produce Board?

1.3 Research Objectives

The objectives of the study were;

i. To establish the challenges of strategy implementation at the National Cereals and Produce Board.

ii. To determine the measures taken to address the challenges of strategy implementation at National Cereals and Produce Board.
1.4 Value of the Study

The study is significant in three major ways. First, the study will add to the pool of knowledge useful to other researchers for reference regarding challenges of strategy implementation at National Cereals and Produce Board. The study may further build on the existing theories on challenges of strategy implementation thus contributing and enriching this area of strategic management.

Secondly, the study will benefit management of other state corporations seeking to implement and improve on their strategic plans. Institutions planning to implement their strategic plans will find value adding information and insights on challenges of strategy implementation in this study thus providing them with further understanding of the process of strategy implementation.

Thirdly, the study will aid policy makers in the food industry and other players in the industry in development of policies that will address the challenges of ensuring food security in Kenya.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature by examining what other scholars and authors have said on strategic management, strategy implementation and its challenges and measures to address strategy implementation challenges.

2.2 Strategic Management

Thompson and Strickland (2003) a strategy is a management tool which is of multidimensional nature as described by various authors in various ways. It is the match between organizational resources, skills, risks and the environmental opportunities facing an organization in accomplishing its purpose. Strategy is a framework through which an organization can assert its vital continuity whilst managing to adapt to the changing environment to gain competitive advantage. According to Ansoff (1984), strategic management is a systematic approach to the major and increasingly important responsibility of general management to position and relate the firm to its environment in a way which will assure its continued success and make it secure from surprises. Strategic planning is therefore a decision making process that aligns the organization’s internal capability with the opportunities and threats it faces in its environment.

Porter (1985) strategy is about achieving competitive advantage through being different, which is, delivering a unique value added to the customers, having a clear and actable
view of how to position yourself uniquely in your industry. Thompson et al (2003) strategy is the match between an organization resources and skills and the environment opportunities as well as the risks it faces and the purposes it wishes to accomplish.

A strategy is a long term plan of action designed to achieve a particular goal, most often ‘winning’. Strategy is a deliberate search for a plan of action that will develop a business’s competitive advantage and compound it. For any company, the search is an iterative process that begins with recognition of where you are now and what you have now. It is the process of specifying the organization’s objectives, developing policies and plans to achieve these objectives, and allocating resources to implement the policies and plans to achieve the organization’s objectives (Thompson, Strickland and Gamble, 2007). Johnson and Scholes (2002), strategy 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 challenging environment, to meet the needs of markets and to fulfill stakeholders expectations.

2.3 Strategy Implementation

Springer (2005) stated that managers are more comfortable with planning than implementation, organizing, leading and control. The important assumption here is that managers do feel comfortable if implementation activities are left to someone else, as it does not form part of the manager’s responsibility. This argument is also being expanded by Hrebiniak (2006) who stated that managers are trained to plan and as a result they would be more familiar with formulating strategy and very little about strategy
implementation. The critical assumption being emphasized here is that top-management’s role is to plan and think strategically while the role of the lower level personnel should simply be that of carrying out the top level’s demand in terms of what needs to be implemented. The best formulated strategies may fail to produce superior performance for the firm if they are not successfully implemented, as Noble (1999) notes.

Pearce et al (1997), categorize components of strategy implementation that managers have to take into consideration during implementation into; the structure, systems, shared values (culture) and leadership. The stronger the 'fits' created between these components, the greater the chances of successful strategy implementation. McCarthy and Curran (1996), organizational structure and behaviour within an organization must be in harmony with and support the strategy of an organization. It's important for managers to understand and utilize organizational structure to aid them in the implementation of the strategy. Pearce et al (1997) the four fundamental elements that must be managed to fit a strategy if the strategy is to be effectively institutionalized are; organizational structure, leadership, culture and rewards.

Okumus (2001) identifies ten key variables that are important for successful strategy implementation. The factors are; formulation, environment uncertainty, organizational structure, culture, operational planning, communication, resource allocation, people, control and outcome. Pearce and Robinson (2003) assert that to effectively implement strategy, mechanisms such as organizational structure, information systems, leadership
styles, assignment of key managers, budgeting and rewards and controls systems must be in place. Lynch (2000) asserts that people working in an organization sometimes resist change proposals and make strategy difficult to implement. This may cause delays in triggering the process of change, unforeseen implementation delays and inefficiencies which slow down the change and make it more costly, lack of commitments, slows down, absenteeism, disrespect of deadlines, poor performance and strikes.

2.4 Challenges of Strategy Implementation

Hrebiniak (2005), making strategy work presents a formidable challenge. A number of factors such as politics, resistance to change cause a major setback hence without carefully planned execution, strategic goals cannot be achieved. Ansoff and Mc Donnel (1990) noted that while implementing strategy is such an important activity, it is not easy. Most excellent strategies fail when attempts to implement them are made. David (1997) asserted that 10% of formulated strategies are successfully implemented while 90% of well formulated strategies fail at implementation stage. The reasons advanced for failure in strategy implementation are; fit between strategy and structure, allocation of resources, organizational culture, leadership, rewards system and the nature of strategy itself. Organizations have to strike a balance between all these factors in order to ensure that crafted strategies are put into action. Implementation of strategy does not automatically follow strategy formulation. There is always some resistance, which occurs whenever there is a departure from historical behavior, culture and power structure. All these cause delays, additional costs and instability in the process of change.
Mckinsey and company designed the 7S’s framework to help organisations understand the factors the organisation’s ability to implement new strategies. It illustrated that the job of implementing strategies is achieved by bringing all the 7S’s of strategy into harmony and that manager should focus more on the components in order to achieve effective execution. The 7S’s were identified as; strategy, structure, systems, skills, style, staff and culture (Thompson and atrickland, 2003). Pearse and Robinson (1997) organized the components into four basic elements that is; culture, systems, leadership and structure. They argued that the stronger the fits that are created between these components, the greater the chances of successful strategy implementation.

Drennan (1992) describes culture as the way things are done in an organization. This has been widely described as a system of shared values held by members that distinguishes it from other organizations. Robbins and Judge (2007) stated that strong cultures are found in organizations where the company's dominant values and assumptions are widely and deeply held by the members of the organization. Brown (1998) stated that an enabling corporate culture aligned with the organization's strategic direction and strong leadership, helps sustain motivation over the years. Successful organizations tend to be those which possess assumptions and values which encourage behavior consonant with the organization's strategy. Organization culture influences how its strategy is implemented. According to Daft (2000), one major shortcoming of strategy implementation in organizations is a failure to translate statements of strategic purpose, such as gain in market share, into identification of those factors which are critical to achieving the objectives and the resources/competencies to ensure success. The intangible resources
may also lead to unique challenges associated with external accountability imposed by the authorizing environment.

Burns (1996) a survey of 3 fortune 500 US firms revealed that over half of the corporation experienced the following 10 problems when they attempted to implement a strategic change. He listed the problems in order of frequency as; Implementation took more time than originally planned, unanticipated major problems arise, activities were ineffectively coordinate, competing activities and crisis took attention away from implementation, the involved employees had insufficient capabilities to perform their jobs, lower level employees were in adequately trained, uncontrollable external environment factors created problems, departmental managers provided inadequate leadership and direction, key implementation task and activities were poorly defined and the information system inadequately motivated activities. David (1997) asserts that organizations have at least four types of resources that can be used to achieve desired objectives, namely financial, physical, human and technological. The various activities necessary to implement any particular strategy should be defined in terms of each type of resource required.

Muthuiya (2004) he identified strategy implementation challenges at AMREF as inadequate resources, unsupportive organization culture, major obstacles surfacing during implementation, implementation taking too long than anticipated and uncontrollable or unforeseen factors in the environment. Machuki (2005) Identified challenges of strategy implementation at Cooper Motors Corporation (CMC) as unsupportive structure and culture, resistance to change, uncontrollable factors in the environment, inadequate
resources, implementation taking too long than expected, unsupportive processes and procedures among others. Koske (2003) identified challenges at Telkom Kenya as poor management, lack of resources, poor leadership style, limited IT capacity, government regulations and unsupportive culture. He further noted that structure in itself will not ensure success of strategy, although an inappropriate choice of structure could impede success.

Koske (2003) observes that there are many organizational characteristics, which act constraint strategy implementation. The challenges concern connecting strategy formulation to implementation, resources allocation, match between strategy and structure, linking performance and pay to strategies and creating strategy supportive structure. Awino (2001) identified lack of fit between strategy and structure as a factor affecting successful strategy implementation. Further, he cited inadequate information and communication systems, and failure to impart new skills as some of the factors affecting strategy implementation at Higher Education Loans Board. Aosa (1992) observes that lack of compatibility between strategy and culture can lead to high organizational resistance to change and poor motivation, which can in turn frustrate the strategy implementation.

**2.5 Measures to Address Strategy Implementation Challenges**

Stoner et al (1995), contend that before strategy is implemented it must be institutionalized and the objectives must be capable of achieving the desired organizational goals. For strategy to be institutionalized leaders must develop a system of
norms, values, roles and groups that must accomplish the goals. Glueck and Juach (1988) stated that leaders may make changes at various levels of an organization to achieve control and develop appropriate leadership style and climate, get involved in career development and use organizational development techniques to effect changes. Leaders ensure the right people are at the right place in order to steer or guide execution of the various strategic activities in the right way to achieve results. The leader must have the right education, abilities, experience and personality to implement a new strategy.

Wheelan and Hunger (2008) stated that all programs and budgets have to be approved, procedures and policies developed with details of activities that must be carried out to complete the programs. Prescribing policies and procedures aid the task of implementing strategy by providing guidelines to decision making and indicate the levels of authority within which such decisions can be made. Thompson and Strickland (2003) work assignments should be linked to performance targets thus emphasizing what to accomplish makes the whole work environment result oriented. The more a manager understands what motivates subordinates and relies on incentives as a tool of implementing strategy, the greater the employee commitment in executing the strategic plan.

Hunt (2003) states that to build a capable organization three issues have to be addressed appropriately and these are; staffing the organization, building core competencies and developing competitive capabilities. Organizations that intend to execute strategy implementation successfully have to attract capable managers and employees that give it a suitable knowledge base and a portfolio of intellectual capital. Rue and Byans (1992)
the activities involved in the staffing function must continuously be re-evaluated in light of changing conditions, both internal and external. Aaltonen and Ikavalko (2001) state that a great amount of information does not guarantee understanding and there is a lot of communication that needs to be done in the field of communicating strategies. Before any strategy can be implemented it needs to be understood as this will give purpose to the activities of each employee and allow them to link whatever task is at hand to the overall organization direction. Pearce and Robinson (2003) assert that to infectively implement strategy, mechanisms such as organizational structure, information systems, leadership styles, assignment of key managers, budgeting and rewards and controls systems must be in place.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research is defined as the process of arriving at a dependable solution to a problem through planned and interpretation of data. The research methodology highlights the overall approach that was taken in the research in terms of the research design, data collection, data collection tools, respondents, data collection procedure and data analysis.

3.2 Research design

The study was a case study design. A case study is a holistic inquiry that investigates a contemporary phenomenon within its natural setting. Kothari (2001) a case study makes a complete examination and analysis of one or a few entities hence focusing on depth rather than breath. The importance of a case study is emphasized by Young (1960) who acknowledge that a case study is a powerful form of qualitative analysis that involves a careful and complete observation of a social unit, irrespective of what type of unit is under study.

A case study was preferred because it gave an intensive investigation of the NCPB as a unit. Considering the fact that organizations are unique in terms of structure, culture, leadership styles and resources employed the challenges faced are unique to an organization hence use of a case study. Similar studies that have employed a case study include Koske (2003), Muthuiya (2004), Machuki(2005) and many others. Arumongang
(2009) used a census survey on a similar study but was focusing on institutions of a common sector that is regional development authorities.

### 3.3 Data collection

Both primary and secondary data were used for the study. Primary data were obtained through interviews. An interview guide was used to administer the interviews among the fourteen heads of departments who include Operations Manager, Human Resource Manager, Sales and Marketing Manager, Technical Manager, Chief Accountant, Supply Chain Manager, Quality and Pest Control Manager, Internal Audit Manager, corporate secretary, Transport and Logistics Manager, Research and Development Manager and Corporate Services and Planning Manager at National Cereals and Produce Board. This is because the senior managers are the ones involved in ensuring the strategic plan is implemented and working at their respective units and get reports from the entire network on how the strategic plan is working and the challenges encountered hence they are the most appropriate interviewees for the study.

Secondary data were obtained from organizational documents such as accounting and financial reports, research and development reports, monitoring and evaluation reports, organizational publications, performance contract reports, customer satisfaction survey reports among others.

### 3.4 Data analysis

Data collected was qualitative in nature and was analyzed using content analysis. Conceptual content is defined by Creswell (2003) as a technique for making inferences
by systematically and objectively identifying specific characteristics of messages and using the same approach to relate trends.

Content analysis was the best method of analyzing the qualitative data that was collected from the interviews and discussions. The data collected were compared with theoretical approaches and empirical information cited in literature review to draw conclusions. Data from various departments was compared against each other in order to identify issues that are general to the organization and those that are department specific. Meanings were made from informants' responses through conceptualization and explanation building.
CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the study findings in line with the objectives, analysis and interpretations there-of. The study intended to achieve two objectives: To establish the challenges of strategy implementation at National Cereals and Produce Board and to determine measures taken to address the challenges of strategy implementation at National Cereals and Produce Board. To achieve these objectives, both primary and secondary data were gathered from respondents and organizational documents respectively.

The study targeted the top management of all the fourteen departments as the officers who are at the core of ensuring the strategy is put into action and responsible for taking any corrective action during implementation. Out of the fourteen top managers intended for interview, eight were available while four referred the researcher to their principal assistants the interview. They included the Human Resources Department, The Transport and Logistics Department, The Corporate Secretary and the Internal Audit Department. Two senior managers did not agree to the interviews citing commitments and could not refer the researcher to any of their assistants for information. The two departmental heads were the Technical Manager and the Quality and Pest Control Manager.
4.2 Strategy Implementation at National Cereals and Produce Board

The section presents discussions on management approach to strategy implementation at National Cereals and Produce Board. All respondents agreed that they were involved in strategy formulation and that it was a rigorous process that first stated by identification of organizational objectives and then breaking down the objectives into departmental specific action plans that will ensure achievement of those objectives. The Research and Development manager “all departments were involved in crafting of the current strategic plan from the beginning to the end when the expert consultant was putting final touches on the strategic plan”. The process was achieved after four workshops and engagement of a consultant to aid in adding value and improving the management work by bringing on board expert view.

The strategic plan of National Cereals and Produce Board 2009-2013 was formulated to provide a roadmap for progress from the poor financial performance that the organization had endured for the last several years and enhance its capacity as a commercial enterprise. The strategy provided a framework for reducing reliance on the exchequer for financial support and also an exit strategy from delayed financial disbursement by the Ministry of Special Programs and treasury. It was intended to position the organization as a full commercial enterprise whose dealings with the whole owner that is the Government of Kenya could be purely on commercial terms.

In order to achieve this planned change, National Cereals and Produce Board developed a transformation roadmap to put into action the needed reforms to achieve its objectives
The organization formed a culture change champion's team, consisting of staff representatives from all the fourteen departments. The role of this initial team was to enhance the modern way of conducting business by suppressing the "government culture" of doing things to customer oriented approach of conducting business.

The second phase involved training all staff members on matters related to strategic planning and performance contracting. Various seminars and workshops were organized with members of senior management attending external trainings as way of capacity building and later conducting internal trainings for lower level employees. The trainings were organized at regional levels and involved four members of senior staff as the facilitators. The facilitators were Research and Development assistant manager, Operations assistant manager, Sales and Marketing assistant manager and Corporate Services and Planning Manager.

4.3 Challenges of Strategy Implementation at National Cereals and Produce Board

This section presents the findings to the first objective of the study which was to identify the challenges of strategy implementation at National Cereals and Produce Board. Various aspects that pose challenges in strategy implementation were put forward in questions for response from the senior managers. The aspects included timely implementation, communication, external interference, technological changes, organizational traditions, employee resistance, organization structure strategy fit,
resources, management skills and leadership. Further, an open question was asked for the managers to identify any other challenges that the organization faced during strategy implementation.

On the question of involvement in strategy formulation, all respondents reported that they were involved and there was a considerable level of consultation during the development of the strategic plan. All the senior managers interviewed identified with the NCPB strategic plan (2009-2013). They were all optimistic that the strategic plan could be fully implemented if the external factors could be controlled and the organization got the backing of the government. Eight out of the twelve interviewed showed the interviewer annual activity implementation matrix and pointed out specific activities that could not be executed due to little control over them. Some explicitly implied that an attempt to implement a given activity could meet external resistance to the point that they were instructed to put the plans on hold hence failure to achieve any set targets under the plan.

On the question as to whether strategy implementation was achieved within the planned time, all respondents agreed that despite having operated three and half years of the strategic plan’s five years period, some components of the strategic plan are yet to be implemented. The Operations Manager “No, in fact to date we have not been able to roll out all the programs because we are facing some challenges”. Most respondents identified the delay has having been caused by bureaucracies involved in approving commitment of resources and changes of organizational functions to enable implements the strategy. The finance and Accounting Manager “A number of factors affected the plan but mainly it was resources constraint and external interference”. Majority also pointed
out that internal disagreement between senior management staff was a major hindrance in execution of specific critical activities to enable strategy execution. The Research and Development manager “I can say that the delay has been occasioned by a number of factors, key among them were resources, management disagreements due to positions, political interference among others”. For instance some pointed out that lobbying with politicians to put on hold a restructuring plan dealt a major blow to timely implementation of the strategic plan.

On the aspect as to whether government policies interfere with efforts to implement the strategic plan, all responded here again agreed that such policies posed the greatest challenge in strategy implementation. The government as the major stakeholder and its regulations present a major challenge as a hindrance to effective strategy implementation in the organization. Whereas the organization is classified as an autonomous state corporation, it does not fully operate as such. This is so because the organization is subject to all administrative and legal controls by the central government, the various government policies, circulars and statutes issued from time to time still apply to it and has to be complied with as a requirement. The changing political environment makes the actions of the government unpredictable hence causing the organization to incur additional costs or opportunity losses. For instance, the government decision to import and distribute cheap relief fertilizers in the year 2010 made the NCPB to hold its commercial stocks for longer than anticipated time.

The sales and marketing manager “We are required to seek prior written authorization for use of government vehicles outside normal office hours and sometimes we don’t get the
approval which hinder our performance as department compared to our competitors”.

“The sales personnel are unable to serve customers adequately in comparison with those from other grain product dealer firms that are not controlled by such regulations hence lost business opportunities leading to poor performance of the commercial function of our business”. There was reported considerable delay in executing decisions where approvals by central government are a prerequisite to implementation of particular activities. This was common especially when budgets have to be approved and desegregated to the organization through the parent ministry which is the Ministry of Agriculture. The Finance and Accounting “the budgeting process is complicated whereby funds have to be approved before they can be committed and that can sometimes take long to achieve given the bureaucratic style in the government”.

On the question on how technological changes have affected strategy implementation, the respondents indicated that within the last five years the organization has implemented two information technology systems which have seen the organization spend significant resources in its automation process. Some of the challenges include inability to integrate the operational aspect with the financial aspects of the departmental information processing requirements. Resistance to change was also encountered on ICT introduction which was aimed at making operations paperless office but the researcher observed that a lot of paper work is still rampant as bulk files could be seen. The Operations Manager “Technology for operations does not only refer to ICT but also mechanical technology used in silos and dryers. At our silos we are now supposed to switch to conveyer belts that use rubber as opposed to metallic conveyors that are heavy and increase grain
breakage hence affecting the quality of the final product”. Newer technology that uses automated rubber belts significantly reduces on grain damage and it exists but resources to implement the same are not available.

On the question as to whether the organizations experienced resistance to change, the respondents indicated lack of commitments from the various levels of management and resistance from staff especially the union level staff was a major challenge. All the respondents indicated that the intended restructuring plan was resisted from inside the organization by lobbying external influences which included politicians to scuttle the process. The possibility of the members of management staff losing their jobs created fear leading to in fighting between the managers who supported the process and those who resisted that approach. At junior levels there was fear that rapid automation could render some staff redundant hence loss of jobs. This also explains why the operations department that has majority of its staff who are elderly resisting the system implementation.

On the question as to whether organizational culture was a hindrance to strategy implementation, responded were in agreement that despite setting up of culture change team to lead in culture transformation nothing much has been achieved. Most indicated that the composition of the team was non consultative and generally staff complained that the champions team members needed to change before they can steer the organizational change needed. Ten out of the twelve implied that the culture of the organization was outdated and not in line with the spirit of the strategic plan that advocate for customer focus and market driven approach of transparency and accountability. The other two were
of the opinion that despite the poor organization culture results could still be achieved if enough controls are put in place to ensure reprimanding of non compliant officers.

On the question as to whether there is fit between strategy and structure, all respondents agreed that the strategy required introduction of new functional units and abolishing some but this again faced resistance and up to date the approved organization structure in line with the strategic plan is yet to be implemented (Appendix 4 and 5). Research and Development manager asserted that “the new strategic business functions cannot be executed as the intended personnel to manage the units could not be hired since the process stalled”. During the interviews some respondents indicated that a new Board of Directors was coming to office and they are keen to see if this aspect can be fast trucked to give the organization the much needed restructuring. The Administration Manager “the new Board of Directors are keen on ensuring that the processes that stalled are enacted to enable the organization carry out its business as planned”. The identified missing critical functions include the general managers for the five newly created level within the structure, warehousing and receipting function and risk management unit. All these function are currently combined with other functions but need to be separated for the organization to realize their full potential. Under the new structure the organization will operate under four major units that is; the GOK function, the NCPB trading function, the warehouse receipting company and research and development division.

The current NCPB structure comprise of the Board of Directors, Managing Director, fourteen departments and six regional offices. The total numbers of staff is 1010 employees and it operates 110 depots and silos across the country with a total storage
capacity of 1.8 million metric tonnes of grain (NCPB Strategic Plan, 2009-2013). The proposed organization structure entails grouping of NCPB activities into one division and two business units that is research and development division, agro-trading business and a warehouse network business. It will further require NCPB to sponsor the formation of an independent commodities exchange and an independent National Food Security Council that will integrate the planning and management of all food reserves in the country including SGR.

On the question as to whether resource was a constraint, all respondents again indicated that the organization was struggling with its balance sheet operating with poor liquidity levels. The Finance manager categorically stated that the organization operates on a huge overdraft that clears any profits as soon as cash is available to offset the bank overdrafts. The Sales and Marketing manager “modernization of fleet for marketing team could not be achieved due to lack of financing hence putting on hold planned increase in market share strategy”. The operations manager “modernization of the conveyor belts for grain movement into and from the silos could not be implemented due to lack of resources”.

On the question as to whether management had adequate skills that aided in success in strategy implementation, the responded gave mixed responses with some indicating that the trainings conducted were not enough to impact the required skills. Some though had a feeling that the organization did a wonderful job by first training its senior staff on matters strategic management and ensuring that they draft the strategic plan themselves as the key players in ensuring success of the organization. On the question on leadership role in strategy implementation ten out of fourteen interviewed managers indicated that
lack of good leadership was the main cause of failure to achieve full implementation of the strategic plan. The top leadership as they indicated was unable to control and consolidate senior manager it a team that pulls in one direction and speaks with one voice.

On the question of what other challenges has the organization faced during strategy implementation, the managers identified conflicting business models, stakeholders sabotage, political interference in affairs of the organization, uncontrollable factors in the external environment, inadequate legislative framework, bureaucracy, inadequate working capital, dealing with primary products without value addition and poor public perception about NCPB had adverse impact on strategy implementation and employees lack confidence in evaluation of performance system were the other challenges identified. The Chief Accountant “I can say that we have had issues to do with our public image making it hard for us to lobby for external stakeholders’ support, cooperation with other state agencies for example we hardly recover debt from other state agencies and that has greatly affected our resource base”.

A review of secondary data indicated that the organization faces a number of challenges emanating from the board composition, poor financial performance, dissatisfied employees, poor performance evaluation techniques and lack of appropriate skills for staff holding key positions. It was noted that the board of directors are political appointees and professionalism is lost hence performing their functions is influenced by political interference making it difficult for managers to execute their plans professionally. Further, the chief executive officer of the organization is also a political
appoint which makes him subject to the appointing authority hence hindering his ability to execute functions professionally. On financial performance in the last 4 years, the organization has constantly returned a loss performance despite having a strategic plan in place which is reflected in the huge accumulated losses in the financial statements of the organization.

The financial statements for the organization show accumulated losses as at 30th June 2011 of Kshs 6.1 billion which is half of its asset base of kshs 13 billion. Further scrutiny of the financial statements shows that the organizations capital fund amounts to Kshs 6.3 billion meaning that the net capital is Kshs 200 million. With a bank overdraft of Kshs 400 million and loans amounting to Kshs 1.1 billion it is imperative that the organization is technically insolvent and this can explain much of the constraints identified in limiting strategy implementation (NCPB Published Financial statements for the FY 2010-2011).

4.4 Measures Taken to Address Strategy Implementation at National Cereals and Produce Board

The NCPB endeavored to achieve its strategy implementation by putting in place measures to ensure that activities were executed as per the plan. The challenges faced range from those within the organizational mandate to address and those that were beyond management’s capacity to address. Measures were put in place to ensure that all stakeholders were brought on board to ensure success during implementation. However, with diverse stakeholders satisfying all their needs is a big challenge that management needed to go beyond normal management activities to ensure success. The section highlights the measures taken to address the challenges identified.
The effects of culture were felt during strategy implementation and the organization tried to mitigate its effects by employing a staff rotation strategy whereby interdepartmental exchange program was introduced. The interdepartmental exchange program was intended to give employees an opportunity to evaluate their peers in other departments and give suggestions on how best the department should conduct its affairs. Further, trainings were conducted on customer service and culture change with an intention of informing employees that it was no longer business as usual but each must embrace customer orientation approach of conducting business.

The aspect of structure has not been addressed to date as attempts to change the organizational structure were met with opposition from both internal sources and external sources. However, the organization did carry out interviews for the proposed new positions which are yet to be approved by the Board of Directors. At the time of interviews there was a planned retreat meeting by the new Board of Directors intended to fast track the aspect of structure change.

On the aspect of resources, the organization has employed a new strategy collaborating with commercial banks to finance their commercial wing of business ventures. The loans are negotiated for a term period for importation of mainly farm inputs that target specific planting seasons within which the organization pays. Some of the challenges that this arrangement has faced include delays occasioned by stringent procurement procedures which then lead to late arrival of consignments hence increasing the repayment period leading to additional costs. On the aspect of remittance of finances from other government agencies, the organization is still owed huge sums for services delivered and
the introduction of warehouse receipting system will solve this aspect as transfer of stocks will only be done through another agent who will then remit dues to the organization.

Concerning the aspect of communication of strategy, the organization used a two day training program for all employees which created an avenue for communicating the new strategy. The senior managers were taken through various workshops which imparted them with appropriate knowledge and skills to be able to guide the whole process. The aspect of leadership involves matters to do with structural changes and appointments from state organs outside the organization hence nothing much could be done about it. However, the organization did carry out a leadership workshop for all the senior management staff which was intended to impart them with basic knowledge that would aid in the process of strategy implementation. The trainings and workshops further mitigated the gaps of skills and knowledge on strategic management.

On the aspect of technological changes, the managers indicated that they had to train all employees on the new system and that this was meant to mitigate against the challenges of resistance to change. The operations manager “we have extensively trained staff members and even availed ICT experts to support them especially my operations people we have set regional ICT centers to deal with difficulties experienced”. As a result, all regional offices were staffed with an expert in information technology to provide support services and review data capture before submission to the head office.
4.5 Discussion

This section discusses the findings of the study by linking the objectives of the study with existing literature. The findings of the study are in agreement with what most scholars have identified as challenges of strategy implementation. Some challenges are department specific or rather impact more on one or more departments which in overall is reflected in the organizational performance. Several challenges to strategy implementation were identified. The respondents indicated that structure was not in line with the strategy of the organization, resources were a limiting factor, organizational culture did not integrate well with the strategy and external factors beyond management’s control affected the process of strategy implementation.

Implementation of strategy is a challenge as most scholars have asserted (Aosa, 1992, Aaltomen et al, 2001, David, 1997) NCPB has not been able to operationalize and institutionalize all the aspect of its strategic plan 2009-2013. For instance, the intended organizational structure to drive the strategic plan has not been attained. Resources pose a major challenge hence a setback in implementing action plans and external interference still affects the way management implements specific plan which affects the overall performance of the organization.

Performance is an important ingredient in strategy implementation as it aids in ensuring all the players have a common understanding of the issues. Letting everybody know why the organization is introducing the new strategy helps reduce resistance to change and helps improve morale (Okumu, 2003). The findings of the study are indeed in agreement
with the existing literature apart from the aspect of technology where age seems to be a factor determining the acceptance of new technology in field offices despite training that were carried out. Employees at all levels were taken through organized seminars to impart them with the knowledge of what is expected of them, what the organization intends to achieve and how the objectives are to be achieved.

Structure is an important component in implementation of the strategic plan. Lack of fit between strategy and structure is a factor that affects success in strategy implementation (Awino, 2001, Koske, 200, Machuki, 2005). The findings of the study are consistent with the existing literature in that NCPB has not been able to fit its structure into the strategic plan. For strategy to be operationalised, an appropriate structure must be in place to put into action plans. The structure defines reporting lines and helps link performance into and reward systems. Other scholars argue that the strategy should be chosen in a way that it fits the organization structure, the process of matching structure to strategy is complex and NCPB required an overhaul of its structure to implement its strategic plan (Bryars et al, 1996).

The top management must realize that action of individuals and inherent characteristics of people can lead to failure of organizational endeavors. The operations manager indicated that older members of his department are more resistant to the new information system technology. People working in organizations sometimes resist proposals and make strategy difficult to implement (Lynch, 2000, McCarthy et al, 1986). The findings of the study are again consistent with the existing literature as people with a common characteristic are identified as an isolated group that has resisted new technology.
Further, at NCPB employees identified the members of culture change team with their prior behaviors as opposed to what was intended. Such are behaviors that put bottlenecks in achieving the desired objective as the employees resist attempts to introduce new systems.

Other scholars have identified challenges of strategy implementation in Kenya as unsupportive organization culture, inadequate resources, poor leadership, government regulations, unsupportive structure and implementation taking too long than anticipated and uncontrollable factors in the environment (Awino, 2001, Koske, 2003, Machuki, 2005, Muthuiya, 2004). All these challenges as identified at various studies within Kenya were also identified at NCPB as the strategic plan is yet to be fully operationalized three and half years into the plan. Some activities cannot be executed due to lack of resources and external interferences are derailing the process thus making it take too long to completion. Political interference was singled out as the main cause of the delay in implementing the new organization structure.

Aosa (1992) noted that lack of compatibility between structure and culture can cause organizational resistance to change in turn frustrating the strategy implementation. This is the case at National Cereals and Produce Board, the culture change team did not achieve much as employees perception towards members was poor. Aosa’s findings can also perhaps explain why there was lobbying to try and scuttle the process of putting in place a new organization structure. The sentiments were also echoed by Awino (2001) who noted that lack of strategy structure fit hampers successful strategy implementation at Higher Education Loans Board. In line with David (1997) who identified at least four
types of resources required for successful strategy implementation as financial, physical, human and technological. At NCPB financial, human and technology were identified as resources that have inhibited achievement of the strategy implementation plan.

According to Stoner et al (1995), before a strategy is implemented it must be institutionalized and the objectives must be capable of meeting and achieving the desired organizational goals. The findings at NCPB indicated that the organization is facing a challenge in an attempt to match the organizational structure into the strategic plan. This most probably explains why the organization has not been able to implement the strategic plan fully. Therefore, the findings are in line with the existing literature that suggests a fit between the strategic plan and the organizational structure should be put in place for effective strategy implementation.

The findings are also consistent with those of Okumu (2003) and Aosa (1992) who assert that training for all levels is critical ingredient in strategy implementation. They further argue that it is essential for everyone to comprehend the meaning and the requirements of strategy implementation, as it stands the full participation of all employees in formulating and implementing a strategic plan. Letting everybody know why you are introducing the strategy reduces the resistance to change and gains support for continued compliance. At NCPB employees at all levels were taken through a two day training seminar on all the aspects to do with the strategic plan. This also confirms that management considered training as a critical success factor in strategy implementation.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The study endeavored to achieve its two objectives through primary and secondary data. Primary data was collected using interview technique and analyzed using content analysis. The chapter summarizes the findings, give conclusion and some recommendations that are deemed helpful to the management of National Cereals and Produce Board and the policy makers especially in the food industry. The chapter further highlights the limitations of the study and gives suggestions for further study.

5.2 Summary of Findings

The study objectives were to establish the strategy implementation challenges at National Cereals and Produce Board and determine the measures taken to address those challenges. Strategy implementation is the most difficult stage of the strategic management process. The challenging aspect of it emanates from an attempt to institutionalize and Operationalize the crafted strategic plan. These challenges explain why most formulated strategies fail at the implementation stage. For management of any organization to achieve its objectives, these challenges must be addressed by putting in place appropriate corrective measures.

The findings of the first objective were that the organization faces a number of challenges emanating from internal and external environments. The internal challenges are
inappropriate structure, culture, leadership, inadequate resources and resistance to change. The external challenges are; pressures from stakeholders like the government, suppliers, millers association, politicians, civil society groups and farmers whose actions interfere with operations and policy implementation at the organization.

The organization structure has not been matched with the strategy of the organization hence some key functions as defined in the strategic plan are yet to be operationalized. The culture of the organization is yet to integrate appropriately to support the strategic plan. This is so because the employees felt that the team chosen to lead the organizational culture change was not up to the new task as employees compared their past gaps to interpret what was being put forward. Leadership was identified as one of the lacking factors to steer the process forward despite a workshop to impart knowledge on this field to senior management. The process of selection of the organizational Chief Executive Officer is a political process controlled from outside the firm. As a result, there is little that can be done at organizational level to ensure a good leader heads the organization for it to achieve its strategic ambitions.

Inadequate resources and limited ability to mobilize resources when required has impacted negatively in steering forward strategy implementation process. Huge debts of services owed to the organization by state agencies and ministries that the organization cannot enforce their collection has hindered business plans and stalled processes. Unless the strategy of dealing with other state agencies on purely commercial terms succeeds, the organization may still continue to experience financial constraints. The aspect of resistance to change has impacted negatively especially on the implementation of the new
information technology strategy as majority of the old generation members of staff in the operations department have resisted this change. Training alone may not solve the problem as information technology has rapidly undergone developments which make it almost impossible for a certain age bracket of people to fully embrace the development and appreciate the role information technology plays in management of business in today’s world.

The second objective of the study was to identify how National Cereals and Produce Board addressed the challenges associated with implementation of the strategic plan. On this aspect the challenges are categorized into two; first factors that are within the control of management and need no further consultation hence can be addressed. Secondly, challenges which are beyond management’s mandate and require external authority and lobbying to be able to address them. Concerning the aspect of structure, external approvals are required to implement and hence resistance from within and outside the organization has stalled this process. Regarding culture, the organization put in place a culture change teams though it faced resistance. On the aspect of resources, management has put in place measures for sourcing for debts from financial institutions to finance the commercial function ventures. Challenges emanating from external environment are being addressed through stakeholders involvement and lobbying to ensure a buy in into organizational plans a head of planned execution time.
5.3 Conclusion

Based on the above findings, NCPB like any other organization is also faced with challenges in attempting to implement its strategic plan. The challenges can affect the organization in the long run to the extent of not achieving its strategic objectives. Implementation of strategy can be said to be successful if the organization achieves its strategic objectives and a targeted financial performance to stimulate growth and development. Each of the challenges identified have played a role in the organization’s poor performance as they have hindered successful strategy implementation. It is imperative that management need to be proactive in addressing issues that impede strategy implementation as it’s the only way to ensure bottlenecks are identified and addressed on time.

The management of NCPB has taken measures to ensure success in implementation of its strategic plan 2009-2013. The measures taken have to a great extent enabled the organization implement specific activities that were within the management control successfully. Despite all the measures taken, management still could not successfully execute all the plans or address all the issues successfully. This was so because some of the factors were way beyond the control of management and needed external approval to be implemented. The findings of the study are consistent with other earlier studies on the topic and serve to show that strategy implementation is a challenging activity. Organizations may face different types of challenges depending on the type of organization, its internal and external environment and the dynamics of the industry in which it operates.
5.4 Recommendations for Practice and Policy

From the discussions and conclusions, the researcher recommends that for an efficient and effective strategy implementation to take place management should be fully involved and committed throughout the process. The management should ensure that the critical strategy implementation tasks are addressed in good time to avoid delays. The tasks include ensuring appropriate organization structure has been fully approved, employees are trained, communication of the strategy has been done to all levels and resources have been sourced and committed to the process.

The government bureaucracy acts as a bottleneck in execution of specific plans that are intended to achieve clearly stated objectives. It could be appropriate if such processes could be given a bit of flexibility and more management control to ensure organizations do not fail implementing plans due to unnecessary delays. Management should also come up with a plan that addresses the challenges as they arise continuously. This will help in adapting to the scenes that delay the process of achieving the intended plans and help best adopt the organization to the effects of the factors that are beyond the internal environment. The challenges that need to be addressed include resources mobilization, incorporating or involving the influential stakeholders throughout the process, ensuring approval of plans on good time, addressing the impact of political interference in good time and being proactive in policy formulation that affect the operations of the organization directly.
5.5 Limitations of the Study

Despite the assurance that information to be provided will be treated with utmost confidence there is a likelihood that officers did not take that assurance and believe in it totally. Therefore, the study findings accuracy was limited to the extent to which the respondents were honest in responding to the questions put forward to them. The sensitivity of the matter put forward may have influenced the manner of answering questions in an attempt to protect confidential strategy secrets of the organization. The findings of this study may not be applicable to other sectors or organization by the fact that organizations are differently contextually. The resources employed by NCPB may not be the same as resources employed by other government agencies and hence the challenges may differ on that aspect and many other including structure, industry specific forces and stakeholders.

5.6 Suggestions for Further Research

The researcher recommends that a study be done on firms in the private sector so as to find out how they implement strategies and approaches taken to address the challenges faced. For purposes of benchmarking a similar study should be carried out in other sector firms. In addition, a statistical approach to determine the impact of each challenge on the overall performance of the organization should be done to inform management on priority of addressing issues in order to improve overall performance.

It’s the recommendation of the researcher that another study should be done on the organization upon completion of the current attempts to fast track some of the
organizational changes that are taking place. These studies can then give a point of comparison in terms of how effective the strategy will be working given the changes.
REFERENCES


APPENDICES

Appendix 1: Interview guide

1) Were you involved in formulation of the NCPB strategic plan?

2) Was the strategy implementation plan achieved within the planned time? If not, what caused the delay? And how did you address it?

3) Was there adequate communication of strategy to all levels of the organization? How was this achieved?

4) Did government policies interfere with your efforts in strategy implementation? How is your department affected? What measures have you taken to address this?

5) How has technological changes affected strategy implementation in your department? What measures have you taken to address the problem associated with those changes as an organization?

6) Are organizational traditions a hindrance to strategy implementation at NCPB? How are you coping with it?

7) Did the organization experience employee resistance to change during strategy implementation? If yes, how was your department affected? How did you address it?

8) How can you describe the fit between the current organizational structure and the strategic plan? Was the structure changed during strategy implementation?

9) Were resources a constraint to strategy implementation? How did the organization address this issue?

10) Will you say management has adequate skills that aided success in strategy implementation? Has the organization trained managers on matters to do with strategy implementation?

11) What role can you say leadership has played in strategy implementation at NCPB? Was there lack of it during strategy implementation at NCPB? How was it addressed?

12) Which any other challenges has the organization faced during strategy implementation? How were these challenges addressed?
13) Can you say that the organization executed the strategy implementation effectively?
Appendix 2: Letter of Introduction

University of Nairobi, School of Business
Department of Management, science
P.O Box 30197
Nairobi.

Dear Respondents,

RE: INTERVIEW FOR RESEARCH DATA COLLECTION.

I am a post graduate student at the University of Nairobi pursuing a course in Masters of Business Administration (MBA), specializing in strategic management. In partial fulfillment of the course requirements, I am conducting a case study on challenges of strategy implementation at National Cereals and Produce Board, Kenya.

For the purpose of completing my research, I wish to collect data through one on one interview based on the attached interview guide. I shall be grateful if you kindly allow me to interview you on the subject matter.

The information provided will be purely for my research project and will be treated with strict confidentiality. A copy of the final research report will be availed to you upon request from the University.

Thank you for your co-operation.

Samwel O. Obonyo
MBA STUDENT.
Appendix 4: Proposed organization structure