STRATEGY IMPLEMENTATION AT THE KENYA ANIMAL GENETICS RESOURCE CENTER

BY

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DECLARATION

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

Signed ....

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

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DEDICATION

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ABSTRACT

This project studied the strategy implementation process at the Kenya Animal Genetics Resource Center. The process of strategy implementation has many challenges leading to most organizations failing to achieve the objectives of the strategies.

The findings revealed the strategy had seven SMART (specific, measurable, attainable, realistic and time bound) clear objectives developed with participation by stakeholders both internally and externally. The organization employed multiple methods to ensure adequate and clear communication to everybody involved. The Board and the MD had taken ownership of the strategy document and were spearheading its implementation in the organization and therefore provided effective leadership for the implementation process. A new organization structure that clearly defined the roles and responsibilities of various departments without overlap or conflict had been created. Performance contracts that were linked to the strategy objectives had also been introduced and embraced by all the employees.

The implementation process also faced some key challenges. These were inadequate financial and human resources, organization culture that had persisted from the traditional civil service that was not responsive to change, compensation systems that had not been linked to strategy and lack of adequate information systems for monitoring the implementation progress. The management had responded to the challenges by phasing activities and prioritizing activities such that those within the current financial reach and with high probability of success are implemented first. A new scheme of service has been developed to enable the organization recruit, motivate and retain highly qualified personnel. Organizational values have been communicated to employees and placed in conspicuous places throughout the institution. Finally the acquisition of modern information technology system has been given priority. The study recommended capacity building for employees, implementation of a robust Information Technology system and a Knowledge Management System to enable it support creation, transfer and application of knowledge in the organization.

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CHAPTER ONE: INTRODUCTION

1.1 Background Of The Study

A company's strategy is management's action plan for running the business and conducting its operations. The formulation of a strategy represents the managerial commitment to pursue a particular set of actions (Markides, 2004) in growing the business, attracting and satisfying customers, competing successfully, conducting operations and improving the company's financial and market performance. Managing the process of implementation is often more difficult than coming up with the strategy in the first place – but ideas that cannot be translated into action serve little purpose (Allio, 2005). For a firm to survive and prosper, a strategy is important. Strategy helps a firm create fit between the organization and its environment. How the strategy is planned, formulated and implemented is therefore important.

Strategy formulation and implementation is a continuous and systematic process for making decisions about the organization future, developing the necessary procedures and operations to achieve that future and determine how success is to be measured. It is a systematic process through which an organization moves on and builds commitment among stakeholders to priorities that are essential to its vision and mission and to be responsive to the ever changing operating environment (Kaplan and Norton, 2008).

Strategy formulation is far much easier compared to strategy implementation in strategic management. Yet strategy implementation is the actualization of the whole process without which the objective would not be achieved. Eppler, Young and Guohui (2008) observe that after comprehensive strategy has been formulated, significant difficulties usually arise during the implementation process. Okumus (2001) observed that far more research has been carried out into strategy formulation rather than into strategy implementation despite the importance of the strategic execution process. Alexander (1985, p91) observes that literature is dominated by a focus on long range planning and strategy content and "lip service has been given to the other side of the coin, namely strategy implementation".

Strategy implementation is the critical link between strategy formulation and superior organizational performance (Noble and Makwa, 1999). Strategy implementation is concerned with aligning organization structures, systems and processes with the chosen strategy. It involves making decisions with regard to developing an appropriate organizational structure, exercising effective leadership, putting in place adequate and appropriate systems, establishing short range objectives, allocating ample resources and developing functional strategies to achieve strategy.

Kenya Animal Genetic Resources Center (KAGRC) is one example of an organization that has devised a strategic plan to guide the organization achieve its objectives. KAGRC was previously a department under the Ministry of Livestock Development but has transitioned into a state corporation with its own Board of Directors. The organization was established to develop and promote optimum productivity of the national animal population, through provision of high quality disease free animal germplasm and related breeding services for socio-economical development. To effectively carry out its mandate, the organization has developed a Strategic Plan which will serve as a framework for decision making and resource allocation. The plan conveys the organization's vision, mission, core values that will be in focus as the organization moves towards attaining its mandate. This study aims to assess the implementation of this elaborate plan, the challenges that have being encountered and measures instituted to overcome the challenges and ensure the plan is realized.

1.1.1 Strategy Implementation

Wheelen and Hunger (2008) have defined strategy implementation as the sum total of activities and choices required to execute the strategic plans. It is the process by which objectives, strategies and policies are put into action through development programs, budgets and procedures. Strategy implementation is therefore the transfer of a chosen strategy into organizational action so as to achieve strategic goals and objectives. It begins with the long term plans which are then broken down to small workable annual or short term plans. According to Pearce, Robinson and Mital (2010), the reasons some organizations fail and some succeed revolves around translating strategic thought into organizational action. Strategy implementation therefore represents the active phase of the strategic management process.

According to Aosa (1992), once strategies have been developed, they need to be implemented as they will be of no value unless they are effectively translated into action. Yet despite this widely accepted and recognized position on strategy implementation, it has often been realized that it is often not achieved as easily as the other concepts of Strategy Planning, Formulation, Evaluation and Control. This can be discerned by the high rate of failure by organizations to achieve their goals and objectives. Eppler et al (2008) observe that after a comprehensive strategy has been formulated, significant difficulties usually arise during the implementation process. Efforts must be made to have clear and consistent guidelines for action. Pearce et al (2010) emphasize that to succeed in the implementation process, one must identify short term objectives, initiate specific functional tactics, outsource non-essential functions, communicate policies that empower people in the organization and design effective rewards.

Beer and Eisenstat (2000) described six silent killers to strategy implementation. These were top-down or laissez fare management style, unclear strategy and conflicting priorities, an ineffective senior management team, poor vertical communication, poor coordination across functions and inadequate down the line leadership skills and development. Speculand (2006) identified challenges to strategy implementation as gaining support and action from staff, communicating the change, overcoming resistance from staff, getting support from senior management, aligning processes, tracking success of implementation, changing rewards and recognition, acquiring customer feedback, implementing new technology and finally acquiring budget.

1.1.2 The Artificial Insemination Services Industry in Kenya

Artificial insemination (AI) services as a reproductive technology was introduced in Kenya in the 1930s as a means of rapid dissemination of genes from superior bulls to the large indigenous cattle population and also as a method to control the spread of reproductive diseases. The services were heavily subsidized by the Government of Kenya (GoK) as one of the strategies to realize rapid genetic improvement in the local dairy cattle populations. However due to the liberalization of the services and concurrent introduction of structural adjustment policies in the early 1990s, there has been an influx of semen from genetically superior sires selected for increased milk yield mostly from developed countries and a greater role of the private sector participants in the industry.

Farmers have relied on imported semen on the assumption that they will be able to achieve increased milk production similar to that obtained in the exporting countries where high genetic gains have been reported. This assumption might not be true since these countries have different production systems and operate under different environmental conditions. Therefore dairy cattle improvement strategies based on imported germplasm should be implemented cautiously because of the significant genotype environment interaction and the sharp contrast in breeding goals and breeding strategies between Kenya and the exporting countries. It is important to have knowledge on the amount of semen sourced from developed countries and introduced into the Kenyan market, its distribution and associated costs to the farmers to facilitate informed decisions on future breeding strategies following a cost-benefit analysis and a comparative assessment of genetic gain resulting from either use of imported or local semen.

Liberalization of Artificial Insemination (AI) services has had diverse impacts in dairy farming in Kenya. It has brought about accessibility and costs issues to the small-holder farmers and increased the number of private AI technicians and service providers who have tended to hub around urban areas abandoning rural areas where they are needed most. Reliance on foreign germplasm has also increased. All these have both economic and genetic implications which are bound to affect the Kenyan dairy industry in the long run.

Over the years, Artificial Insemination has been used as a breeding tool for increasing productivity of the National Herd. AI services are important to increase national food security, reduce poverty and improve domestic animal productivity and management.

1.1.3 Kenya Animal Genetic Resources Center

The Kenya Animal Genetic Resources Center (KAGRC) formerly called the Central Artificial Insemination Services (CAIS), Lower Kabete, was established in 1946, as a central station for the production and distribution of semen throughout the country. The Colonial Government donated the Lower Veterinary Farm for the station and met the cost of the buildings. Previously it was a quasi-government parastatal under the direct supervision of Director of Veterinary Services but was recently made an autonomous body with its own Board of Directors.

Kenya Animal Genetic Resources Centre sits on a 220 acre plot, hosts 100 productive bulls, and is able to produce enough semen to meet the National demand and surplus for export. The potential export markets include COMESA Region, the rest of Africa, the Middle East and South East Asia. Since its inception, the Station has grown in stature over the years and currently performs functions that envision its current mandate and its outlined vision. Its functions include ; recruitment and rearing of bulls for the provision of high quality disease free bovine semen to meet national demand and for export; preservation of animal genetic material (semen, embryos, ova); marketing and distribution of bovine semen, liquid nitrogen and equipments to A.I service providers; collaboration with other institution in training and research in semen production and handling; availing A.I equipment to customers at cost and rendering specialized services to customers such as own-farm semen collection and collection of samples for testing of reproductive diseases.

1.2 Research Problem

Strategy implementation is defined as "the communication, interpretation, adoption, and enactment of strategic plans" (Noble, 1999, p. 120) and is widely perceived to be a significant determinant of performance. In particular, the style of implementation is important: as Long and Franklin (2004) state, "A key variable when studying implementation is the approach that each agency uses to implement policy" (p. 311).

Strategy implementation suffers from a general lack of academic consideration (Altonen & Ikavalko, 2002, Noble, 1999). This viewpoint is shared by Okumus and Roper (1998) who noted that despite the importance of the strategy execution process, far more research has been done in strategy formulation as opposed to strategy implementation. The primary objectives are somehow dissipated as the strategy moves into implementation and the initial momentum is lost before the expected benefits are realized.

Kenya Animal Genetic Resources Center has developed a strategic plan that will guide its operations especially during this critical phase of transitioning from a department in a government ministry to a parastatal with its own board of directors. The institution seeks to broaden its scope of operations by serving not only the Kenya region but also the entire COMESA region.

Several studies have been done on challenges of strategy implementation. Kweri (2011) undertook a study at Ritho Farmers cooperative society and established poor communication, inadequate financial resources, leadership and organizational policies and procedures as among the major impediments on strategy implementation. Wangondu (2010) did a study on strategy implementation challenges at New KCC and found out that among other factors; structure, leadership and communication were major impediments to achieving the plan. Woyakapel (2011) studied challenges of strategy implementation at the Kenya Seed Company and found out that culture, structure, processes and procedures and uncontrollable factors in the environment were major obstacles to successful strategy implementation in the company. Koske (2003) studied strategy implementation and its challenges at Telkom Kenya and found out the major challenges were poor management, inadequate resources, poor leadership, inadequate IT capacity, stringent government regulations and unsupportive culture. Omollo (2007) studied challenges of implementing strategic decisions at Kenya Armed Forces Insurance Scheme and established that implementation of strategic decisions is an ongoing process that requires monitoring and evaluation at all stages to determine the best alternatives in the process at any given time due to changing environmental conditions and that an organization needs to formulate clear well documented strategies to be implemented and that managers and staff support at all levels of the organization is needed for successful results. Akwara (2010) studied the challenges of strategy implementation at the Ministry of Cooperative Development and Marketing and established organizational culture, human resource policy, financial resources policies and procedures, information and operating systems and performance incentives were all an impediment to strategy implementation. Ongeri (2010) studied how strategy is implemented at Citibank N.A and established that availability of resources, effective communication, committed staff, good leadership, organization structure, supportive systems and procedures and efficient evaluation and monitoring were key to a successful strategy implementation.

The above studies have been carried out in other contexts other than the current study. Due to contextual, sectoral and managerial differences among organizations, strategy implementation findings gained from above studies may not justify the strategy implementation and its challenges at the KAGRC. How is strategy implemented at the Kenya Animal Genetics Resources Center?

1.3 Research Objectives

The study has 3 objectives

i. Identify the strategy implementation at KAGRC

ii. Establish the challenges facing KAGRC in implementation of its strategies

iii. Determine the measures that have been taken by KAGRC to address the Strategy implementation challenges.

1.4 Value Of The Study

The findings of the study will be of great importance to KAGRC as it will provide information to management across the entire spectrum of the organization on hindrances to actualizing their strategy. It will contribute new knowledge and form an appropriate framework upon which strategic plans may be implemented and revised in future at the KAGRC.

Researchers and academia will gain insight into implementation problems that can be obstacles in other similar organizations. It will contribute to the ever increasing literature on Strategy implementation and its challenges.

Practitioners in strategic management will benefit from the study by having an important reference to a practical case on strategy implementation that highlights important aspects of implementation and challenges encountered which can help them borrow those practices that will guarantee success and avoid those that can be obstacles to realization of the plan.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The main objective of this chapter is to define and describe strategy implementation by examining the strategy implementation literature. The challenges and problems in implementing strategies and the key attributes of successful strategy implementation suggested by various studies have been identified through the literature review.

The researcher will try to show that the literature has focused on many different aspects of strategy implementation and offers partial solutions as a result. Thus strategy implementation resembles a somewhat disjointed knowledge base, with some consensus but many important gaps remaining to be filled in.

The findings of the previous studies on the drivers for successful strategy implementation have been posited. A parsimonious set of variables to assess strategy implementation suggested by some of the studies has been highlighted because this is an important contribution to the literature.

2.2 Strategy implementation

Strategy implementation is an integral component of the strategic management process and is viewed as the process that turns the formulated strategy into a series of actions that results to ensure that the vision, mission, strategy and strategic objectives of the organization are successfully achieved as planned (Hrebiniak, 2008; Thompson, Strickland & Gamble 2005; Bossidy & Charan, 2002). Shah (2005) defines strategy implementation as the implementation of strategy formulation to determine the future direction of the organization.

A study conducted by Fortune magazine revealed that 90% of the strategies are unsuccessful, and single most important cause of this is believed to be the weak application of the strategies (Waterman, et al. 1988). Although it has been widely accepted that the change is necessary for the growth of organizations, more than 70% of the change-oriented attempts in the name of change strategies are unsuccessful (Higgs & Rowland, 2005). In addition, Raps (2004) states that the rate of successfully implemented strategies is between 10% and 30%.

The noteworthy statement ". . . great strategy, shame about the implementation . . ." (Okumus and Roper, 1998, p. 218) captures the essence of the problem that strategy implementation suffers from a general lack of academic attention (Alexander, 1985; Aaltonen and Ikavalko, 2002). Indeed, Okumus and Roper (1998, p. 219) go on to observe that ". . . despite the importance of the strategic execution process, far more research has been carried out into strategy formulation rather than into strategy implementation . . . ", while Alexander concludes that literature is dominated by a focus on long range planning and strategy "content" rather than the actual implementation of strategies, on which ". . . little is written or researched . . . " (Alexander, 1985, p. 91).

Research indicates that strategy implementation, rather than strategy formulation alone, is a key requirement for superior business performance (Kaplan & Norton 2001, Hrebiniak, 2008). In many companies the main focus in regard to strategy is put on the formulation of a new strategy. However, a good formulated strategy does not automatically mean that the company achieves the objectives as set in the strategy. A 1999 study (Corboy & O'Corrbui, 1999) found that nearly 70 percent of strategic plans and strategies are never successfully implemented.

To ensure achievement of organizational objectives, the formulated strategy needs to be implemented at all levels of the organization. Different researchers have in the past decades identified the need for more research in the area of strategy implementation (Higgins, 2005; Beer and Eisenstat, 2000; Al-Ghamdi, 1998; Hambrick et al, 1989). Even though most executives understand that careful implementation of strategy is crucial for success, many companies still fail to successfully execute the formulated strategy.

Alexander (1991) likens the strategic management process to a two-sided medallion. One side of the medallion is the strategy formulation describing the action plan that enables the organization to compete in specific situations; the other side represents the strategy implementation process describing how the formulated strategy is implemented. Hence, it can be argued that whether a strategy is successful or unsuccessful depends separately on these processes and their interaction. Namely, work performance is not only related to how well the strategies are formulated but also how well they are implemented. Indeed, unless successfully applied, even the strategy delicately designed and correctly predicted is almost valueless. While strategy formulation and application are functions closely connected to each other, implementation of the strategy is the most complex and time-consuming part of strategic management. Strategy implementation covers almost every aspect of the management and it needs to be started from many different points within the organization (Shah, 2005). Though the reason for the failure of strategies is viewed to be strategy implementation process in the strategic management literature, this issue has attracted less attention than the issue of strategic formulation in research. Alexander (1991) gives the reasons behind this fact as follows: strategy implementation is less glamorous than strategy formulation; many academics and practitioners tend to overlook it because of a belief that anyone can do it; people are not exactly sure what strategic management process includes, where it begins and where it ends; there are only a limited number of conceptual models of strategy implementation.

In strategic management literature, strategy implementation is viewed to be different from strategy formulation and it is considered to be an issue of adjusting organizational structures and systems (Aaltonen et. al 2002). Alashloo et al., (2005) defines strategy implementation as the explanation of how the strategy developed in a limited time should effectively be implemented to the capacities, human and financial resources of the organization. Parnell (2008) explains strategy implementation through the concepts of participation, conception, and commitment that affect the dissemination of the strategy.

As it can be seen in these definitions, strategy implementation is a complex process (Schellenberg, 1983). It is really difficult to come up with an exact definition of strategy implementation. Definitions of strategy implementation are shaped according to strategy formulation, elements of organizational behaviors and its importance for the organization.

As stated earlier, many organizations fail to implement their formulated strategy. In the previous paragraphs, the general components of the process of strategy implementation have been explained. Different researchers have identified reasons for failure of strategy implementation. Wernham (1985) posited that when goals and strategies pursued by the top management were not clearly perceived by unit managers based at the periphery then it would lead to strategy failure. Alexander (1985) put forward various causes of strategy failure which included strategy taking longer time than expected, problems during implementation which had not been identified earlier, ineffective coordination of implementation activities, distraction of attention by competing activities, insufficient capabilities, inadequate training, uncontrollable external factors, inadequate leadership and direction, insufficient definition of implementation tasks, inadequate information systems, key people leaving the organization, lack of understanding of overall goals by employees, unclear definition of responsibility changes, key formulators did not actively participate in implementation, and problems which require top management involvement were not communicated early enough. Giles (1991) posited that lack of ownership, poor strategy formulation were important factors in strategy failure.

Wessel (1993) posited that too many and conflicting priorities, inadequate functioning of the top management team, top down management style, Inter-functional conflicts, poor vertical communication, inadequate management development were the leading causes of strategy failure. Meldrum and Atkinson (1998) observed that flawed vision of senior managers and myopic view about the management of operational activities were major contributors to strategy failure. Al-Ghamdi (1998) on the other hand gave the reasons for failure to be strategy taking longer time for implementation than expected, major problems during implementation which had not been anticipated, ineffective coordination of implementation activities, distraction of attention by competing activities, lack of proper definition of key implementation tasks and activities and inadequate information systems to monitor implementation. Corboy & O'Corrbui (1999) gave a different set of reasons for strategy failure. These included strategy being not worth implementing, people being unclear how the strategy is to be implemented, customers and staff not fully understanding the strategy, individual responsibilities for implementing the change are being clear; chief executives and senior managers stepping out of the picture when implementation begins; not recognizing the brick walls and forgetting to "mind the shop".

Beer & Eisenstat (2000) described six silent killers of strategy as ineffective senior management team; unclear strategies and conflicting priorities; top down or laissez faire management style; poor vertical communication; poor coordination across functions, businesses or borders; inadequate down the line leadership skills and development. Altonen and Ikavalko (2002) gave another set of factors for strategy failure namely lack of understanding of strategy; conflicting activities; events that diverted attention from strategy implementation; lack of alignment between strategy and the organizational compensation systems; insufficient communication. While Okumus (2003) posited that resistance from lower levels is a major cause of strategy failure. Freedman (2003) observed that strategic inertia; lack of stakeholder commitment; strategic drift; strategic dilution; strategic isolation; failure to understand progress; initiative fatigue; impatience and not celebrating success were major impediments to strategy execution.

Shah (2005) on the other hand observed that inadequate management skills; poor comprehension of roles; inadequate leadership and direction provided by departmental managers; ill defined key implementation tasks; lack of employee commitment; inadequate training and instructions given to lower level employees; insufficient coordination across departmental boundaries; insufficient capabilities of employees; unclear lines of accountability; poor information systems and ; ineffective monitoring were the causes of strategy failure. Kaplan and Norton (2008) identified lack of control systems, unclear strategy, inadequate rewards and incentives to be causes of strategy failure. Hrebiniak (2008) observed that strategy implementation that takes too long, lack of communication, implementation pushed to lower levels and isolated tasks were impediment to strategy implementation. Speculand (2009) similarly observed that lengthy implementation and implementation decisions pushed to lower levels were major causes of strategy failure.

The main inhibitors of strategy execution can be consolidated and high level overview of major problems by different scholars who have researched the topic posited. Many scholars share some factors that cause strategy failure. The leading factors are; ineffective leadership (Alexander 1985, Wessel 1993, Meldrum et al 1998, Corboy et al 1999, Beer & Eisenstat 2000, Shah 2005), unclear strategies and objectives (Wernham, 1985; Corboy et al 1999; Beer & Eisenstat 2000; Altonen and Ikavalko 2002, Kaplan & Norton 2008), poor communication (Wessel 1993, Beer & Eisenstat 2000;Altonen and Ikavalko 2002; Hrebniak,2008), ineffective coordination (Alexander, 1985; Al Ghamdi 1998; Beer & Eisenstat, 2000; Shah 2005) and ineffective management(Wessel 1993, Meldrum et al 1998; Beer & Eisenstat 2000; Shah 2005).

Other factors include lack of ownership and commitment (Giles 1991, Freedman 2003), longer time duration than expected (Alexander 1985, Al Ghamdi 1998), unclear definition of responsibility and responsibility changes (Alexander, 1985; Corboy and O'Corrbui 1999; Shah 2005), distraction of attention by competing and conflicting activities (Alexander, 1985;Wessel 1993; Al Ghamdi 1998; Beer & Eisenstat 2000; Altonen and Ikavalko 2002), unanticipated problems (Alexander, 1985; Al Ghamdi 1998), insufficient definition and understanding of implementation tasks(Alexander, 1985; Al Ghamdi 1998; Corboy and O'Corrbui 1999; Shah 2005), Lack of Monitoring information systems(Alexander, 1985; Al Ghamdi 1998) and lack of participation of formulators in the implementation (Alexander, 1985; Corboy and O'Corrbui 1999)

2.3 Drivers for Successful Strategy Implementation

Some scholars have identified factors that lead to successful strategy execution. Hambrick & Cannella, Jr. (1989) posited that to succeed in implementing strategy, the organization needs to obtain broad-based inputs and participation at the formulation stage, assess the obstacles to implementation, make early use of the levers of implementation namely resource commitments, subunit policies and programs, structure, people and rewards, make the strategy acceptable to everyone in the organization and steadily, fine tune, adjust and respond as events and trends arise. Bryson & Bromiley (1993) put forward the drivers for successful strategy implementation to be having experienced planning staff, giving the implementation priority and ensuring that those affected are aware of what is being done while Al-Ghamdi (1998) had communication and management support as crucial factors for success in strategy.

Noble & Mokwa (1999) posited the elements of strategy success to be: fit with vision, importance, scope, championing, senior management support, buy-in, role involvement, role autonomy, role significance, organizational commitment, strategy commitment, role commitment and role performance. On the other hand Beer and Eisenstat (2000) observed that a leadership style which learns from feedback , clear strategy and clear priorities, an effective top team having a general-management orientation, open vertical communication, effective coordination, down-the-line leadership to be important factors in strategy implementation success while Freedman(2003) posited that for strategy to succeed, the firm needed to communicate the strategy, drive planning, align the organization, reduce complexity and install an issue resolution system.

Hickson, Miller and Wilson (2003) identified ten factors for strategy success. These were backing, assess-ability, specificity, cultural receptivity, propitiousness, familiarity, priority, resource availability, structural facilitation and flexibility. Similarly, Allio (2005) posited ten elements for successful strategy implementation. These were: keep the strategy simple, establish a common language, delineate roles, responsibilities, timeframes, devise straightforward quantitative and qualitative metrics, balance short term with longer term, be precise, use action verbs, use a common format to enhance clarity and communication, meet regularly, but in structured, time-limited sessions, anchor implementation activities in the firm's financial infrastructure: budget, metrics, rewards and be prepared to consistently manage the implementation process.

Shah (2005) observed that, for a firm to succeed in implementing its strategy, then it needed to have a sound strategy, sufficient resources, management commitment and leadership, employee understanding and commitment, financial rewards and information systems. Saunders (2007) on the other hand posited that communicating the initiative that ensures the understanding of the strategy, achieving buy-in so as to gain acceptance and adoption by stakeholders, aligning implementation, learning so as to have continuous evaluation and adaptation, creating the infrastructure for deployment, understanding the business drivers, and identifying deployment options were paramount if the organization was to succeed in its strategy.

An examination of the factors from the various scholars in the foregoing paragraphs resulted in the identification of the following key factors in the success of strategy implementation. Effective leadership style; a clearly formulated strategy with clear objectives; adequate and clear communication; availability of resources and capabilities, effective coordination, participation and commitment of all stakeholders, financial rewards and incentives that are linked to strategic goals, backing of senior executives, organization structure and culture that is receptive to change, developing skills for change, clear definition of individual responsibilities, adaptation to internal and external changes, and organizational commitment of employees.

The above list that contains the factors which affect the success of strategy implementation is quite long and without having a parsimonious set of constructs; it will be difficult to properly assess the strategy implementation in an organization. However, there is a general consensus that the main factors for failure encountered by many organizations are ineffective leadership, lack of ownership, lack of necessary resources, insufficient risk identification, unclear objectives, tasks and responsibilities, ineffective and insufficient communication, and finally, a poorly formulated strategy, which is not implementable or not worth implementing. These are the factors that will be examined in this study.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out the various stages and phases that were followed in completing the study. It involves a blueprint for the collection and analysis of data. Specifically the following subsections are included; research design, data collection and finally data analysis.

3.2 Research Design

Research design constitutes a blue print for the collection, measurement and analysis of data. It helps the researcher allocate the limited resources by posing crucial choices on methodology. It can be defined as the plan and structure of investigation so conceived as to obtain answers to the research questions.

The research design was a case study of strategy implementation at the Kenya Animal Genetic Resources center. The study relied on social science research methodology and the scope is confined to the implementation of the current KAGRC strategic plans. A case study design was appropriate for this study because it involves in-depth investigation into the phenomena of strategy implementation. Similar design has been used by similar studies (Machuki, 2005, Woyakapel, 2011). The case study provided an in-depth and breadth analysis of the study. It puts more emphasis on a full contextual analysis of fewer events or conditions and their interrelations. A detailed emphasis provides valuable insight for problem solving, evaluation and strategy, this detail is secured from multiple sources of information.

The merit of the case study was to enable one to conduct an in-depth investigation of the underlying issues within the organization of study. By using interviews as a method of data collection, one obtained a rich and detailed insight into the life of that case and its complex relations and processes. This study ascertained the strategic implementation process at the KAGRC and the challenges that were experienced.

3.3 Data Collection

Interview method was used to collect primary data from respondents. The questions were open-ended. These allowed respondents to express feelings and thoughts especially when complex issues were being studied. They thus offered more details and more information in areas that had not been foreseen by the researcher. However they had disadvantage in that they produced a large amount of information which require extensive time and effort to code and evaluate.

The respondents of this study were drawn from all levels of management. They included the CEO of the organization, the heads of departments. The respondents were considered to be better placed in providing required data because they are directly involved in strategy formulation and implementation in the respective areas.

3.4 Data Analysis

Analysis involves comparisons of data obtained from the various departments to enable more in-depth investigation in order to determine whether the strategy implementation process is similar or different across departments. Data from various levels of management was compared against one another in order to establish whether there is a relationship of the strategy implementation process at different departments or sections.

The nature of the information obtained from the interview guide is qualitative and was analyzed by way of content analysis. This type of data does not restrict respondents on answers and has potential of generating more information with much detail. The information from various responses was evaluated and documented as findings of this study. The researcher studied each question separately from all the respondents; this enabled them to get a clear idea about the total response of subjects to certain issues.

Content analysis was used to make inferences by systematically and objectively identifyıng specific characteristics in the responses and using the same to relate trends. The data was compared with the theoretical approaches cited in the literature review. This method has been used by similar studies (Machuki, 2005, Ongeri, 2010, Woyakapel, 2011).

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter contains analysis of the findings from the study. The data was collected by interviewing the senior management at KAGRC involved in strategy formulation and execution. The data collected has been analyzed and interpreted in line with the objectives of this study based on the responses to the questions. This involves analysis of meanings and implications from respondent's information coupled with documented data regarding strategy implementation. The findings are presented as a report of the discussions held with the respondents.

4.2 Respondents

The respondents comprised the top management of KAGRC. A key respondent was the CEO of the organization who has overseen the transition of KAGRC from a department in a government ministry to an autonomous body with its own board of directors. The CEO has also been instrumental in formulating the strategic plan, developing the performance contract as well as making the institution ISO compliant. Therefore his contribution carried a lot of weight in this study.

The other four respondents were senior officers who are in charge of different key technical departments of the organization. It is important to note that the institution is still undergoing structural changes and a new organization chart has been proposed with a number of positions created. Some of these positions, at the time of the study, were yet to be filled. The institution did not have personnel heading the crucial departments of Human Resources and Finance. However, there were officers who were holding the positions in acting capacity. These officers had worked in the organization from the time it was a government department to its current status. They had been involved in the strategy implementation and execution and therefore gave valuable input to this study.

4.3 Strategy Implementation at KAGRC

In order to establish how KAGRC implements its strategies, the main factors responsible for strategy implementation process were identified and included in the interview guide. Key among the factors were : a clearly formulated strategy with clear objectives; participation and commitment of all stakeholders; adequate and clear communication of the strategy; effective leadership style, availability of resources and capabilities, financial rewards and incentives that are linked to strategic goals, backing of senior executives, organization structure and culture that is receptive to change, developing skills for change, clear definition of individual responsibilities, adaptation to internal and external changes, and organizational commitment of employees.

The study established that the strategic plan was clearly articulated with seven strategic objectives. These were the development of an effective policy and legal framework to establish KAGCR as an autonomous organization, to strengthen contract mating and progeny testing schemes, to develop an efficient Human Resource Management Programme, to improve infrastructure and enhance environmental conservation, to research and develop new better quality products, technology and to facilitate access to markets and improve the corporate image and modernization of the Information Technology infrastructure. The respondents agreed that the plan was well formulated and the objectives were clear.

The communication of the strategy was achieved in various ways. First, since the organization is small in size, several copies of the strategy document were availed to each section. Secondly, an abridged version of the objectives of the strategy is also put in the notice boards. Thirdly, the vision and mission of the organization is printed in conspicuous places throughout the organization and in regular management bulletins published by the management and finally each departmental head articulates the strategy in formal staff meetings. The respondents agreed that the communication of the plan was effective.

On leadership, the respondents agreed that the Managing Director (MD) is the driving force and has seen the organization during the critical transition phase from a department in the government ministry, to a state corporation. The organization is governed by the Board of Directors, which, according to the legal notice no 110 of 2011, are appointed by the President. It comprises of nine members including a non-executive chairman, and the Managing Director. Other members of the Board include the Permanent Secretaries in the ministries of Finance and Livestock, the Managing Director of Kenya Agricultural Research Institute (KARI) and four other members with knowledge in matters relating to livestock breeding, management, law and finance. The Board therefore has the requisite expertise and affiliations to effectively steer the organization towards its goals. The legal notice also clearly articulates that the board should have regular meetings in a year that should not be less than four times and that not more than three months should lapse from the date of one meeting and the next.

On resources and capabilities, KAGRC gets its funds from monies appropriated by parliament, monies or assets that accrue in the course of its functions such as sale of genetic material, liquid nitrogen, etc, and grants, gifts and donations that may be made to the center. Respondents observed that currently, monies appropriated by parliament formed the highest proportion of financial resources to the organization. This money is part of the national budget and is subject to the political process. Most of the time, the money requested for is subjected to budget cuts and the organization is unable to implement some of its programmes as a result.

KAGRC has revised its organization structure in line with its strategic goals. The structure has the Board of Directors at the topmost level of the hierarchy with the Managing Director reporting to it. Respondents noted that this structure is consistent with those of similar organizations and it can support the implementation of the strategic plan at the KAGRC. In particular, the sixth strategic objective of facilitating access to markets and improving the corporate image is achieved by the creation of the positions of managers in charge of marketing and corporate affairs that report directly to the MD. The fifth strategic objective of researching and development of better quality products and technology is facilitated by the creation of a technical services department headed by a Director who reports to the MD. This department is further divided into breeding and bio-technology, animal health, farm, production and quality control each headed by a technical manager. The strategic objective of development of Human Resources is matched by the creation of the office of the Director in charge of Human Resources, Administration and Finance who also reports directly to the MD. Finally, the vision of "to be the leading producer of the best Animal Genetic Resources in the World" has led to the creation of an office in charge of Quality Assurance headed by a manager who reports to the MD. The organization structure is therefore appropriate in facilitating the realization of the strategy.

In addition, clear definition of individual responsibilities is possible due to the way the organization is structured. There are clear departments that do not overlap in their jurisdiction. There is clear delineation of breeding, animal health, farm, production and quality control functions. Employees can be assigned to different departments and assigned tasks that would not conflict that of another departments responsibilities. Furthermore, the senior management has published the roles and responsibilities and desired targets for each department.

KAGRC has also embraced performance contracting system. The MD signs a performance contract with the Board with targets that the Board signs with the Minister for Livestock Development. The heads of departments enter into performance contracts with the MD for delivery of targets derived from corporate performance contract. The performance contract identifies the targets, performance indicators, time frame and budgetary requirements. To determine the achievement of targets of KAGRC, appraisals of each staff is conducted by the head of department who in turn is appraised by the MD. The MD is appraised by the Board. This is compared to the targets set at the beginning of the year as set out in the strategic plan. Respondents observed that since the organization is quite young, with some positions yet to be filled, the effect of this system may not be fully felt.

On employee commitment, KAGRC noted that it had a weak human resource capacity and set out to reverse this by creating a strategic objective of developing an efficient Human Resources Programme. The organization is in the process of developing a new scheme of service, recruit staff on merit and equal opportunity; enhance training of its staff; institutionalize the performance appraisal system;

improve on staff remuneration and welfare; promote gender equity and sensitization and continuous counseling on HIV.

KAGRC has identified eight core values in its strategic plan. These are professionalism, efficiency and reliability, accountability, team spirit, meritocracy, confidence, commitment, innovativeness and excellence. These values are also printed in walls and notice boards within the compound. Respondents felt that these values will foster a culture that is conducive to the implementation of the strategic plan. However, they felt, that KAGRC being a young organization, it was still too early to judge whether there was significant cultural change. However, all of them were in agreement that the MD is determined to instill these values in the organization.

The respondents observed that there was significant success in the achievement of the strategic plan of 2008-2013. For example, the organization is now an autonomous body with its own board of directors. This was the first strategic objective in which the organization sought to collaborate and participate in the development of an effective policy and legal framework that will establish Kenya Animal Genetics Resource Center (KAGRC), as a statutory corporation with a broader legal mandate. This was achieved in 2011 with the publishing of legal notice number 110 of 2011. This was a critical milestone without which the other objectives would not have been achieved. The organization structure has also been finalized and it will pave way for the achievement of third strategic objective of developing human resource capacity. The respondents felt that it was in the right path of achieving the strategic goals.

4.4 Challenges of Strategy Implementation

One of the objectives of the study was to determine any challenges encountered in strategy implementation at KAGRC. It was noted that even though the organization had developed very robust strategies that, upon proper implementation, would steer the organization into a leader within its sector, some challenges were and continue to be experienced during the implementation.

One major challenge is unavailability of resources especially financial resources. Finance is a critical resource for ensuring success in strategy execution. Most of KAGRC strategic objectives have significant financial requirements and their achievement depends on availability of the requisite finances. For example the organization seeks to improve infrastructure, research and develop better quality products, develop markets, improve the Information and Communication Technologies (ICTs) and develop an efficient Human resource programme and recruit qualified staff who will be remunerated competitively. Unfortunately KAGRC does not have adequate financial resources to support such ambitious objectives. Its funds are derived from monies appropriated by parliament, monies accruing from its services and operations and grants, gifts and donations received by the center. Monies appropriated by parliament form the bigger proportion of the organizations budget. Since, such amounts are part of the National Budget that is subjected to budgetary cuts due to other competing national priorities; the organization rarely gets the entire amount it solicits for. Therefore, some of its activities have to be deferred, shelved or be redefined in order to fit in with the budgetary allocation. This has become a major hindrance in the realization of its strategic plan.

Inadequate human resources was cited by the respondents as another hindrance to the achievement of strategy. Its fifth strategic objective is to research and develop new better quality products and technology. This in turn requires recruitment of highly qualified scientists or expensive training of the existing ones. With its current compensation structure, the organization finds itself unable to recruit personnel of the required expertise. The organization also faces difficulties in retaining highly qualified researchers due to competition in the market. Similarly, the sixth objective of developing markets and improving corporate image requires competent staff to be in charge of the stated functions. The organization requires skilled marketers who have good technical knowledge of its products. With its current compensation structure, respondents felt that it would be difficult to recruit and retain such personnel.

Organization culture was also identified as another impediment to strategy implementation. KAGRC has transitioned from a department in a government ministry to a statutory corporation. According to the legal notice, employees who were serving under the government department, called Central Artificial Insemination Station (CAIS), automatically transferred services to KAGRC with an option of entering into a written contract with the center, thus ceasing to be employees of the government, or to be deployed by the government. Most employees elected to have written contracts with the center. Accordingly, they transferred the work culture of the civil service to the new institution. Respondents felt that although the service delivery in the civil service has significantly improved, it was still a challenge to instill a new mindset on the employees in line with the values promulgated in the strategy document. In particular, a number of employees still hold the opinion that promotion and occupation of newly created offices should be based on the length of service as is the practice in government instead of performance whereas senior management holds the opinion that qualifications, competence and innovativeness should be the overriding factors in promotion and progression.

Lack of financial rewards and incentives that are linked to strategic goals was also seen as an inhibitor to success of the strategy. Although KAGRC has embraced performance contracting for its employees, respondents felt that it did not explicitly provide for incentives or rewards. The performance contract merely sets targets that the employee should achieve in a given period. It does not indicate any rewards should an employee meet or exceed the target. Therefore employees may just expend enough efforts to ensure they meet the targets but would be reluctant to offer much more. Respondents also felt that the appraisal system should be reviewed to encompass a wider approach to the appraisal like inter-departmental appraisal due to the fact that departments were dependent on each other for performance of certain tasks and therefore should be able to appraise each other. For example, breeding department depends on animal health department that in turn depends on farm department. Thus these departments needed to be appraised together.

Lack of good information technology systems was cited by the respondents as another hindrance to achievement of strategy. ICTs enable the organization to monitor the implementation of the strategic plan by providing timely information that enables corrective action to be taken. ICTs also support the business transactions of an organization, support managerial decision making and support the competitive strategies adopted by the organization. At the time of the study, the organization was poorly staffed and equipped in ICTs. Although the enhancement and utilization of new and modern ICT was one of the strategic objectives, the implementation was lagging behind. There was no substantive head of the ICT function. Respondents agreed that the organization needed to develop a Knowledge Management System to support its fifth strategic objective of researching and developing new better quality and products.

4.5 Measures Undertaken to Counter the Strategy Challenges

The third objective of this study was to examine the measures undertaken to address the challenges in strategy implementation. The major challenges identified were: inadequate resources especially financial resources, human resource problems, organizational culture, inadequate financial rewards and incentives and lack of ICTs. The management had instituted measures to mitigate the impact of these challenges on the realization of the plan.

The challenge of inadequate financial resources was addressed by adopting the phasing approach. The implementation of the plan was scheduled to be carried out over five financial years, 2008-2013. Due to the limited resources, phasing allowed for mobilization of funds. It also enabled the organization to undertake and focus on primary activities at different times. Activities that produced quick results were implemented immediately and they set momentum for the implementation of other activities. For example, the development of the legal framework was a crucial activity that did not require heavy financial outlay. This process was carried out culminating in the issuing of legal notice 110 of 2011 that established the institution. This set the momentum for other activities such as creating the organization structure and filling up some of the positions. The organization has also embarked on measures to improve its revenue base by full commercialization of its activities. It has also entered into Public-private partnership agreements with identified partners. In addition, there is a cut down on costs and rationalization of some expenditures to ensure that only activities critical to the realization of the plan are undertaken.

The challenge of inadequate human resources was addressed by the development of a new scheme of service for employees. The new scheme would compensate employees matching their terms to those of similar organizations in the country. The institution has also addressed the career progression of individual employees and has carried out a skills/competence needs assessment, training needs assessment, workload analysis, skills inventory and the redeployment of staff according to their skills. Performance appraisal system has also been embraced in the institution. Such measures have enabled the organization to retain and motivate a qualified workforce as it prepares to recruit additional workforce.

The organization culture problem is being addressed by having several sensitization workshops on expected work practices. The values of the organization have also been placed in conspicuous places throughout the organization. New positions have been established and it is expected that such positions are going to be filled by employees who have worked in other organizations instead of filling them internally. It is expected that over half of the newly created departments shall be headed by externally recruited people. This will bring in a new mindset and help the organization to institutionalize its new values.

Financial rewards and incentives that are linked to strategic goals problem was addressed by the introduction of the new performance appraisal system that emphasis career progression dependent on prior performance. Bonuses that are to be paid out to staff annually are also being considered. The bonus shall be paid soon after the appraisal so as to motivate employees to improve based on their evaluation results. This will therefore link the performance to the bonus.

The enhancement and utilization of new and modern ICT was one of the strategic objectives of the organization. The organization has developed an ICT strategy that spans the duration of the strategic plan. The plan recognizes the obstacles due to financial outlays and sets out to implement those activities that are achievable with the constraints imposed while at the same time not losing sight of the need for a state of the art, robust and well functioning ICT infrastructure.

4.6 Discussion

The objective of this study was to establish how strategy is implemented at KAGRC. The study found out that the management has ensured participation by all stakeholders both internally and externally in the strategy formulation process. The strategy was then refined to ensure that it had seven SMART (specific, measurable, attainable, realistic and time bound) clear objectives. The organization employed multiple methods to ensure adequate and clear communication to everybody involved. This included periodic briefing meetings by senior management, memos, sensitization workshops, and notices placed in conspicuous places within the organization. The Board and the MD had taken ownership of the strategy document and were spearheading its implementation in the organization and therefore provided effective leadership for the implementation process. A new organization structure also clearly defined the roles and responsibilities of various departments that had been created ensuring there was no overlap or conflict thus ensuring clear definition of individual responsibilities and organizational commitment of employees. Performance contracts that were linked to the strategy objectives had also been introduced and embraced by all the employees.

4.6.1 Link to Theory

The findings are consistent with various theories for successful strategy execution posited by several scholars. Hambrick & Cannella, Jr. (1989) identified five factors that were necessary to ensure strategy success. These were : obtaining broad-based inputs and participation at the formulation stage, assessing the obstacles to implementation, making early use of the levers of implementation levers namely resource commitments, subunit policies and programs, structure, people and rewards; making the strategy acceptable to everyone in the organization and fifthly steadily, fine tuning, adjusting and responding as events and trends arise. KAGRC took these factors into account when they invited all identified stakeholders in the strategy formulation process, it also did a SWOT analysis and identified any hindrances to the execution of the strategy, a structure consistent with the strategy was developed and the organization sought the commitment of employees by incorporating them in formulation and execution. The strategy is continuously reviewed and refined to ensure it remains current and relevant.

Beer and Eisenstat (2000) posited six factors necessary for successful strategy implementation namely ,a leadership style which learns from feedback , clear strategy and clear priorities, an effective top team having a general-management orientation, open vertical communication, effective coordination, and down-the-line leadership. These are also consistent with the approaches taken by KAGRC in their strategy execution process. The senior management reviews periodically the progress of strategy and takes corrective action whenever there are deviations. The MD also encourages an open door policy to ensure adequate feedback and communication from all units.

Allio (2005) came up with ten factors that are crucial for success in strategy implementation. These were ; keeping the strategy simple, establishing a common language, delineating roles, responsibilities, timeframes; devising straightforward quantitative and qualitative metrics, balancing short term with longer term, being precise, using action verbs, using a common format to enhance clarity and communication, meeting regularly, but in structured, time-limited sessions, anchoring implementation activities in the firm's financial infrastructure: budget, metrics, rewards and finally be prepared to consistently manage the implementation process. Most of these factors are reflected in the implementation of the strategy at KAGRC. The strategy is kept simple and the organization phased the activities to ensure the ones that deliver good results early were ear marked for implementation in the earlier stages. For example, the objective of getting legal framework was high in the agenda of the implementation process.

Saunders (2007) on the other hand presented seven factors that are necessary to ensure success in strategy implementation. These are communicating the initiative that ensures the understanding of the strategy; achieving buy-in so as to gain acceptance and adoption by stakeholders; aligning implementation, learning so as to have continuous evaluation and adaptation, creating the infrastructure for deployment; understanding the business drivers, and identifying deployment options. KAGRC realized that due to financial constraints, it was unable to implement all activities in a single phase. It therefore prioritized the various activities and scheduled them so that they fitted the resources that were available. This ensured that the strategy continued to be viewed positively by everyone affected.

The study, on the other hand, found out that KAGRC experienced challenges during the implementation process. These included inadequate resources and capabilities, organizational culture problems, inadequate information systems and failure to link financial rewards and incentives to strategy. These challenges are consistent with those put forward by scholars on causes of strategy failure.

Altonen and Ikavalko (2002) pointed out that lack of alignment between strategy and the organizational compensation systems could lead to strategy failure. KAGRC has implemented a performance contracting method for its employees. However, while the performance contract ensures that employees will put forth adequate efforts, it is silent on any incentives for employees who exceed their targets. This means that the employee may just put in enough effort to ensure they comply with goals set by the organization.

Hickson, Miller and Wilson (2003) noted that resource availability was crucial in ensuring the success of the strategic plan a view also shared by Shah (2005). KAGRC faced the challenge of inadequate resources especially financial resources since it depends on funds that it receives from appropriations by parliament. These are uncontrollable external factors since, at the time of formulating the strategy, it is difficult to predict whether parliament will approve all the funds requested for.

Shah (2005) pointed out that among other things, inadequate management skills; insufficient capabilities of employees and poor information systems can lead to the failure of the strategy. Al-Ghamdi (1998) also observed that inadequate information systems to monitor implementation can lead to strategy failure. KAGRC is still undergoing transition and a number of managerial positions created by the new organization structure are yet to be filled up. The organization also appreciates that it is lagging behind in use of ICTs and their modernization is part of its strategic objectives. Therefore, the Information systems presently are inadequate and would lead to poor monitoring of the strategy.

4.6.2 Link to other studies

The findings are also consistent with other studies. Kweri (2011) studied strategy implementation at Ritho Farmers cooperative society and established poor communication, inadequate financial resources, leadership and organizational policies and procedures as among the major impediments on strategy implementation. Wangondu (2010) studied strategy implementation challenges at New KCC and found out that among other factors; structure, leadership and communication were major impediments to achieving the plan. Woyakapel (2011) studied challenges of strategy implementation at the Kenya Seed Company and found out that culture, structure, processes and procedures and uncontrollable factors in the environment were major obstacles to successful strategy implementation in the company. Koske (2003) studied strategy implementation and its challenges at Telkom Kenya and found out the major challenges were poor management, inadequate resources, poor leadership, inadequate IT capacity, stringent government regulations and unsupportive culture. Omollo (2007) studied challenges of implementing strategic decisions at Kenya Armed Forces Insurance Scheme and established that implementation of strategic decisions is an ongoing process that requires monitoring and evaluation at all stages to determine the best alternatives in the process at any given time due to changing environmental conditions and that an organization needs to formulate clear well documented strategies to be implemented and that managers and staff support at all levels of the organization is needed for successful results. Akwara (2010) studied the challenges of strategy implementation at the Ministry of Cooperative Development and Marketing and established organizational culture, human resource policy, financial resources policies and procedures, information and operating systems and performance incentives were all an impediment to strategy implementation. Ongeri (2010) studied how strategy is implemented at Citibank N.A and established that availability of resources, effective communication, committed staff, good leadership, organization structure, supportive systems and procedures and efficient evaluation and monitoring were important factors to a successful strategy implementation.

All the above studies are consistent with the findings in this research that strategies need to be clear, participatory and well communicated. There should also be good leadership, a good organization structure and employee commitment. Inadequate financial and human resources, an organization culture that does not rhyme with the strategy, inadequate incentives and lack of information systems can be an impediment to achieving strategic goals.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary, conclusions and recommendations of the findings of the study. It also highlights the limitations of the study and recommendations for further research, policy and practice. The summary is drawn from the findings and data analysis, conclusions are guided by the objectives and recommendations gathered from respondents.

5.2 Summary and findings

The objective of this study was to establish how strategy is implemented at Kenya Animal Genetics Resource Center. Strategy implementation involves translating formulated strategies into actions. It entails a process of converting the formulated strategies into viable operations that will yield the organization's targeted results. It is largely an internal administrative activity.

5.2.1 Strategy implementation

The strategy under implementation relates to the period 2008-2013. It was developed in a participatory forum where stakeholders from the livestock industry, the ministry and employees came together to discuss the salient requirements of the strategy and fine tuned it with the help of a professional consultant to capture the various views of the participants. The strategy document was approved by the Board as the policy document for the organization that will guide its operations. The strategy was clearly articulated with specific, measurable, achievable, and realistic and time scaled (SMART) objectives that are well understood by employees in the organization.

Implementation of the strategy is spearheaded by a senior management team headed by the Managing Director, who has long experience in the sector and has overseen the organization transition from a department under a government ministry to an autonomous statutory corporation with its own Board of Directors. The Board is mandated by the legal instruments to meet periodically and not less than a stipulated number of times to review the progress and give strategic direction. The MD and the Board has given effective leadership in guiding the organization as per the strategy.

Communication of the strategy was also found to be effective with established mechanisms for flow of policy from the upper echelons of the organization down to the lowest levels. There are also established channels that enable senior management to get feedback from lower levels. The organization used a combination of methods for achieving communication. These included written memos, bulletins, periodic staff briefings, emails and notices posted in conspicuous places within the organization.

An organization structure that was in line with the strategic goals had also been developed. It created several distinct departments that will enable the organization to achieve its strategic objectives. In addition, clear definition of individual responsibilities has been made possible due to the way the organization is structured. There are clear departments that do not overlap in their jurisdiction. There is clear delineation of breeding, animal health, farm, production and quality control functions. Employees can be assigned to different departments and assigned tasks that would not conflict that of another departments responsibilities. Furthermore, the senior management has published the roles and responsibilities and desired targets for each department.

KAGRC has also embraced performance contracting system. Employees agree in advance on the targets that are derived from and are consistent with the grand strategy. Appraisal is carried out annually in a transparent manner involving the employee, the supervisor. The employee signs the appraisal report only after discussions and agreement with the superior officer. Targets achieved at the end of the year are compared with agreed targets and any discrepancies discussed. The plan also takes into consideration the training needs and any other requirements the employee may need to successfully undertake tasks assigned.

KAGRC has also undertaken to have a cultural change consistent with its new status and has outlined eight core values that will foster a culture that is conducive to the achievement of its strategic plan. These are professionalism, efficiency and reliability, accountability, team spirit, meritocracy, confidence, commitment, innovativeness and excellence. These values have been made known to all the employees and the senior management is determined to instill the values in all the employees.

5.2.2 Strategy Implementation Challenges

However, a number of challenges have been experienced in the implementation of the strategy. The major challenges include unavailability of resources especially financial resources, inadequate human resources, cultural problems, lack of financial rewards that are linked to strategy and inadequate ICT infrastructure. These have greatly impacted the achievement of the strategy since some of them are uncontrollable and emanate from the external environment. For example, the organization has no control over the funds that will be appropriated by parliament for its purposes in any given financial year. The organization simply presents the budget and this can be subjected to discretionary budgetary adjustments by forces beyond the organization. Yet the strategy is developed in anticipation that such resources shall be forthcoming.

5.3.3 Measures To Mitigate The Challenges

The management has nevertheless instituted measures to mitigate the impact of these challenges on the realization of the plan. The challenge of inadequate financial resources was addressed by adopting the phasing approach where activities are critically examined and prioritized depending on the chances of delivering tangible results that can fuel momentum for other activities. The organization has also embarked on measures to improve its revenue base by full commercialization of its activities. It has also entered into Public-private partnership agreements with identified partners. In addition, there is a cut down on costs and rationalization of some expenditures to ensure that only activities critical to the realization of the plan are undertaken.

The challenge of inadequate human resources was addressed by the development of a new scheme of service for employees. The organization culture problem is being addressed by having several sensitization workshops on expected work practices. The values of the organization have also been placed in conspicuous places throughout the organization. Financial rewards and incentives that are linked to strategic goals problem was addressed by the introduction of the new performance appraisal system that emphasis career progression dependent on prior performance. Bonuses that are to be paid out to staff annually are also being considered. The enhancement and utilization of new and modern ICT was one of the strategic objectives of the organization. The organization has developed an ICT strategy that spans the duration of the strategic plan.

5.3 Conclusions

Strategy implementation is inextricably connected with organization change. The changes made to the organization configuration (structure, processes, relationships, boundaries) present internal sources of challenges. Further, changes in the macro-environment, the industry forces and the operating environment present external sources of challenges. Strategy formulation requires the organization requires the organization to critically assess both the internal and external environment for factors that can hinder the achievement of the strategy and for opportunities that can be leveraged. A strategy cannot be created on contingency basis otherwise it is will not guide the organization and may eventually fail

Strategy implementation carries with it many inherent challenges that require effective leadership, adequate communication and support from all stakeholders to overcome them. Some factors are uncontrollable. KAGRC is a public corporation deriving its funds from appropriations made by parliament. This implies that the organization stakeholders may extend beyond just the players in the livestock industry who were identified in various stakeholders' forums. The organization needs to consider inputs from representatives at the grassroots who may not appreciate the needs for services rendered by KAGRC due to presence of competing alternatives such as traditional bulls and imported brands. They also need to lobby parliamentarians to understand the importance of the services to the economy and therefore seek better funding. Without adequate financial resources, major objectives cannot be achieved, the organization may not be able to attract and retain competent workforce and its research programmes for better products may be severely hampered. This in turn will attract apathy from existing employees, and poor recognition in the industry which can consequently lead to failure of the organization.

5.4 Recommendations

The study recommends that capacity building for employees should take very high priority in the organization. The organization being a service oriented one requires highly skilled workforce to deliver its services. Research on better products that farmers would value also requires a dedicated and highly qualified research team. If the quality of products stands out in the market and a highly valued, then the organization may be in a position to charge a premium for its services. This in turn will improve the revenue streams and consequently enable the other activities to be implemented.

A second priority area should be the implementation of a robust Information Technology system. ICTs are usually targeted when budgetary cuts are imminent. Yet, the monitoring of progress and feedback are dependent on the availability of timely, current, complete, and accurate information. This can only be possible if sound systems are in place in the early stages of the project.

In addition, the organization needs to invest in a Knowledge Management System (KMS) to enable it support creation, transfer and application of knowledge in the organization. A lot of knowledge is generated from various practices and the organization should have a database of best practices so that it can continuously improve on them. The organization has a good number of employees with rich background in veterinary sciences. These employees possess vast knowledge on various processes that can be turned into corporate knowledge so that it can be used to the benefit of KAGRC and applied consistently throughout. Knowledge management is the explicit management of such vital knowledge and information possessed by such individuals so that it is effectively shared and used by others in the organization.

Through the effective sharing of corporate intellectual capital, Organizational Knowledge can be efficiently transformed into business intelligence.

5.5 Limitations of the Study

It is important to take cognizance of some of the limitations that could have impacted on the results of the study. The primary respondent was the MD who had overseen the transition of the organization to an autonomous body. The organization is still under transition and most of the created positions are yet to be substantially filled. The offices of head of finance and human resources that are critical to implementation of strategy were still vacant at the time of the study. The researcher relied on representations made by officers who are occupying office in acting capacity but who, nevertheless, had long experience working with the organization. It was not possible to interview Board Members, since they only meet periodically and was not practical to convene an ad hoc session to discuss strategy implementation. The submissions by the MD were therefore considered to be representative of the senior management and the Board. Secondary data was obtained by studying the strategic plan, performance contract documents, and legal notices that were availed by the MD. However, due to time constraints, it was not possible to validate the contents of these documents with actual activities on the ground.

Time pressure also made it difficult to extend the case study to more officers. The organization was in the process of ISO certification that placed heavy demands on the schedules of senior management and employees. The certification process coincided with this study and was immediately followed by other managerial workshops to sensitize the employees on the new dispensation. Thus time available with senior management was curtailed.

5.6 Suggestions for further research

The research objective of this study was to establish strategy implementation at the Kenya Animal Genetic Resource Center. The organization has a unique position because of the nature of its products and the importance placed on its services by the government and the public. The findings narrowed down to implementation practices, challenges and measures undertaken to mitigate the challenges. However, strategy formulation aspect, especially for an organization that was under a government ministry was not considered. The entire process of formulation needs to be studied since a poorly crafted strategy may be difficult to implement.

The organization did not have the desired workforce levels, the requisite infrastructure was still not in place, the created departments were yet to be filled up, employees were still contemplating whether to remain in government or to enter into contract with the new organization and a number of critical systems were in the process of being set up. It would be necessary to do a similar study when the institution had stabilized and the necessary infrastructure was in place and compare such findings with the current data.

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APPENDICES

Appendix A: Interview Guide

The interview guide is to achieve the following objectives

i) Determine the strategy implementation at KAGRC

ii) Establish the challenges encountered in implementing of strategy at KAGRC

Interview Questions

The following sections provide sample questions to be used in evaluating the strategy implementation and the challenges encountered in the implementation at the KAGRC

Background Information on the interviewees

1. What is your current position in the organization

____

2. For how long have you been holding the current position

____

3. Would you change your current duties if given a chance

____

4. Have you been working in the organization before its current status

____

5. Have you predominantly worked in the public service

____

Strategy implementation at the KAGRC

1. Who formulates the strategies to be implemented at the KAGRC

   ____

2. What duration does the institutions strategy cover?

   ____

3. What approach can you categorize the strategy implementation process of the firm to take

   ____

4. What level of involvement of the employees does the strategy implementation take

   ____

5. How often is feedback on strategy implementation communicated to the employees

   ____

6. Are the people who formulated the strategy involved in its implementation

   ____

Strategy implementation challenges

1. Did any major problems surface which had not been identified during the strategy implementation?

   ____

2. Was the coordination of the strategy implementation sufficiently effective ?

   ____

3. Was the training and instructions given to lower level employees adequate?

____

4. Are the capabilities of the employees involved in strategy implementation sufficient? ________________________________

5. Does the top level management provide leadership and direction during strategy implementation ? __________________________

6. Were the key implementation tasks and activities sufficiently defined?

____

7. Are the information systems used to monitor strategy implementation adequate ? ____---

8. Did the advocates and supporters of the strategic decision play an active role in strategy implementation ?

____

9. Were the overall goals sufficiently well understood by the employees?

____

10. Did the key formulators of the strategic decision play an active role in implementation ? ____________________________

11. Were the employees measured and rewarded for executing the intended plans?

____

12. Was there lack of understanding of the role of the organizational structure and design in executing the strategies _____

13. Was there adequate budget and resources for implementing the strategy

____

14. Did the implementation of the strategies take more time than originally intended? ______________________