FACTORS INFLUENCING STRATEGY IMPLEMENTATION AT KENYA POWER AND LIGHTING COMPANY LTD

WACHIRA JOHN GATITHI

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

OCTOBER, 2012

FACTORS INFLUENCING STRATEGY IMPLEMENTATION AT KENYA POWER AND LIGHTING COMPANY LTD

WACHIRA JOHN GATITHI

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

OCTOBER, 2012

DECLARATION

This Research project is my original work and has not been presented for a degree in any other University.

Signed... Date.....8/11/12.....................

Wachira John Gatithi

D/61/63759/2011

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

Signed:.. Date.....8/11/12.....................

Prof. Martin Ogutu

Department of Business Administration

School of Business

University of Nairobi

DEDICATION

To my family members;

"Education is an ornament in prosperity and a refuge in adversity".

ACKNOWLEDGEMENT

I wish to thank God for the strength of purpose he accorded me to not only start but also finish this project. Special thanks go to my supervisor Prof. Ogutu for his guidance and encouragement and for being reading available whenever I needed him. My sincere thanks goes to all those who supported me especially colleagues in the MBA programme for their advice and suggestions. Lastly I wish to thanks all my family members and friends who in any way assisted me and cheered me on in this very noble endeavor

God bless you all.

TABLE OF CONTENTS

TABLE OF CONTENTS

ABSTRACT

Strategy formulation and development is the development of long term plans for the effective management of opportunities and threats in light of the organization's strengths and weaknesses. Effective implementation results when organization, resources and actions are tied to strategic priorities, and when key success factors are identified and performance measures and reporting are aligned. Effective strategy implementation and execution relies on maintaining a balance between preventing failures and promoting success simultaneously. When there is a proper alignment between strategy, administrative mechanisms and organizational capabilities, it will be easier to implement and execute the strategy and to achieve the desired objectives. The objective of the study was to determine challenges of strategy implementation at Kenya Power and Lighting Company. The research design was a case study of Kenya Power. The data collection tool was an interview guide where content analysis was used to analyze the qualitative primary data which had been collected by conducting interviews from the respondents. The findings of the study was that the challenges of strategy implementation was the culture being practiced in the company which brought about nepotism, favoritism, un-ethical behaviors' and low integrity and change management which affects effectiveness and efficiency in service delivery, the organizational structure which has been adopted, insufficient resources which includes financial, limited space, communication equipment, infrastructure, human resource in terms of numbers, physical, time, technological and equipment and working tools, and lack of communication and lack of top management commitment.

ABSTRACT

Strategy formulation and development is the development of long term plans for the effective management of opportunities and threats in light of the organization's strengths and weaknesses. Effective implementation results when organization, resources and actions are tied to strategic priorities, and when key success factors are identified and performance measures and reporting are aligned. Effective strategy implementation and execution relies on maintaining a balance between preventing failures and promoting success simultaneously. When there is a proper alignment between strategy, administrative mechanisms and organizational capabilities, it will be easier to implement and execute the strategy and to achieve the desired objectives. The objective of the study was to determine challenges of strategy implementation at Kenya Power and Lighting Company. The research design was a case study of Kenya Power. The data collection tool was an interview guide where content analysis was used to analyze the qualitative primary data which had been collected by conducting interviews from the respondents. The findings of the study was that the challenges of strategy implementation was the culture being practiced in the company which brought about nepotism, favoritism, un-ethical behaviors' and low integrity and change management which affects effectiveness and efficiency in service delivery, the organizational structure which has been adopted, insufficient resources which includes financial, limited space, communication equipment, infrastructure, human resource in terms of numbers, physical, time, technological and equipment and working tools, and lack of communication and lack of top management commitment.

CHAPTER ONE
INTRODUCTION

1.1 Background of the study

Rapid changes in the business environment require senior management to adopt strategies that focus on both current success and to invest in those activities that will promote a competitive advantage for future success. Therefore, achieving a competitive advantage is a major pre-occupation of managers in the competitive and slow growth markets, which characterize many businesses. Many institutions know their business needs and the struggles required for success. However, many institutions struggle to translate theory into action. Implementing strategies successfully is vital for any organization, be it public or private. Without implementation, even the most superior strategy is useless. The notion of strategy implementation might at first seem quite straightforward: the strategy is formulated and then it is implemented. Implementing would thus be perceived as being about allocating resources and changing organizational structure. However, transforming strategies into action is a far more complex and difficult task. Organizations seem to have problems in strategy implementation: such as weak management roles in implementation, a lack of communication, lacking a commitment and misunderstanding of the strategy, unaligned organizational resources, poor organizational structures and uncontrollable environmental factors (Beer and Eisenstat, 2000).

Strategic management is gradually shifting from paying 90 per cent attention to strategy formulation and 10 per cent to strategy implementation, to paying equal attention to both (Grundy, 1998). Traditionally, it is believed that strategy implementation and execution is less glamorous than strategy formulation, and that anyone can implement and execute a well-formulated strategy. Therefore, implementation and execution has attracted much less attention than strategy formulation or strategic planning (Bigler, 2001). While strategy formation and implementation are tightly integrated functions, strategy implementation is the most complicated and time-consuming part of strategic management. It cuts across virtually all facets of managing and needs to be initiated from many points inside the organization. The implementation task involves coordination of a broad range of efforts aimed at transforming strategic intentions into actions.

1.1.1 Factors Affecting Strategy Implementation

Strategy implementation is defined as "the process used to implement specific firm policies, programs, and action plans across the organization" (Harrington, 2004, p.321). A prudent organization needs to formulate a strategy that is appropriate for the organization, appropriate for the industry, and appropriate for the situation. Effective strategy implementation and execution relies on maintaining a balance between preventing failures and promoting success simultaneously. When there is a proper alignment between strategy, administrative mechanisms and organizational capabilities, it will be easier to implement and execute the strategy and to achieve the desired objectives (Okumus, 2003).

Lippitti (2007) observe that strategy may fail to achieve expected results especially when the strategy execution is flawed. The failure to execute is a major concern of executives because it limits organizational growth, adaptability and competitiveness. Executives are not judged by the brilliance of their strategy, but by their ability to implement it. The challenge is how to close the gap between strategy and actual results. Lepsinger (2006) similarly hold that true leaders have a clear vision and are 100% committed to pursuing it. He states that something often goes wrong as the leaders try to bring their vision to life. Pryor, et al (2007) concur that without coherent aligned implementation, even the most superior strategy is useless. He adds that most strategic planning efforts fail during this crucial phase, wasting significant resources already invested. Pearce and Robinson (1994) hold that even after the grand strategies have been determined and the long term objectives set, the strategic management process is far from complete. The strategic managers now move into a critical new phase of translating strategic thought into organizational action. That is, strategy implementation stage.

Robinson (2003) observe that after the grand strategies are determined and long term objectives set, the tasks of operationalizing, institutionalizing and controlling the strategy still remain. This phase of the strategic management process entails translating strategic thought into strategic action. Annual objectives, functional strategies and specific policies provide important means of communicating what must be done to implement the overall strategy. By translating long term intentions into short-term guides to action, they make the strategy operational. But strategy must also be institutionalized to permeate the very day-to-day life of the company if it is to be effectively implemented. Three organizational elements provide the fundamental long term means for institutionalizing the firm's strategy that is structure, leadership and organizational culture. Strategy implementation requires the presence of both external and internal environmental factors. Factors emanating from external environment are mainly raw materials, human resources and fuels. Those factors that come from the internal environment are: machinery, qualified personnel, financial strength, leadership and management styles and marketing capabilities.

1.1.2 Strategy Implementation Challenges

Organizations have long known that, to be competitive, they must develop good strategies and to appropriately realign the organizational structure, systems, leadership behavior and human resource policies. However, between ideal strategic alignment and implementation lie many challenges. Many managers believe that a well-conceived strategy that is communicated to the organization equals implementation. According to Beer and Eisenstat (2000), there were six fundamental reasons why various strategies developed by firms were not implemented effectively. They identified that employees saw the overall problem being rooted fundamentally in the process of management issues of leadership, teamwork and strategic direction and not in the commitment of people and their functional competencies. Poor quality vertical communication not only hinders strategy communication but also prevents discussions of the barriers themselves.

Lippitti (2007) posits that in the rush to act on strategy, too little attention is paid to finding the best implementation initiatives. Shortcuts such as repackaging existing projects which appear to support the new strategy cannot work because while strategic plans can be copied, execution cannot be duplicated. Execution must address the intangibles of cross functional integration, reward systems, and cultures as well as the tangibles captured in most planning documents. For many firms, false starts, delays and confusion characterize implementation. To implement chosen strategies, there are many important decisions to make such as how to structure the company. The organizational structure has to support the strategies. Structuring the organization involves decisions about how to coordinate activities, relationships and communication among the internal stakeholders. The organization can be structured by focusing on functionality, products, markets, projects or cooperation (Rantakyro, 2000).

Without a strong professional leadership in a firm, constructive change is not possible. Strategy is formulated at the top of the firm, but executed from bottom up. Thus alignment within the firm is required in order to execute strategy. Majority of firms fail to execute because they do not focus resources on priorities and in majority of cases, employees have not been informed of the strategy. Another reason why firms fail is lack of management and accountability. Management training programs have become a popular and effective means to meet this need (Boomer, 2007). Ineffective senior management that operates independently and refuses to cooperate effectively for fear of losing power has also been identified to be a factor that hinders strategy implementations. Conflicting priorities and the subsequent lack of coordination thereof will equally reduce the effectiveness of a strategy implementation. Any two conflicting strategies will battle each other for the same resources leading to disharmony among the employees and if not checked, it might lead to sub optimality among the various organizational departments.

1.1.3 The Kenya Power and Lighting Company

The Kenya Power and Lighting Company Ltd. (KPLC) is a limited liability company which transmits, distributes and retails electricity throughout Kenya. KPLC is a public company and is listed at the Nairobi Stock Exchange (NSE) (KPLC, 2010). It was incorporated in 1922 as the East African Power & Lighting Company (EAP&L). It changed its name to the Kenya Power and Lighting Company Ltd. (KPLC) in 1983. The majority shareholder in KPLC is the Government of Kenya and its institutions, while the rest is owned by private shareholders. According to KPLC (2010), supply and demand highlights were; Kenya's demand is expected to rise from 916 MW in 2006to 2,397 MW in 2025/26.The interconnected system installed capacity in 2005 was 1,177 MW, which provided adequate surplus that facilitated routine shutdowns of generating plants for repairs and maintenance operations.82.74 percent of the power supply comes from hydroelectricity and the rest from thermal. diesel and wind. By 2009/10, 201MW of additional capacity will be commissioned under projects that have already been committed (KPLC, 2010). Only 12 percent of the Kenyan population is connected to the national grid. KPLC has now more than 1.8million customers and the company plan to connect 350,000 customers annually to make them 2 million by the year 2013.

Among all the stakeholders in the energy industry KPLC is the company that interface with the customers whereas the generators of electricity notably KENGEN and the IPPs plays a major role in determining the level of service quality. In the supply electricity customers receive the following services, processing application for new supply, construction after payment, billing, and supply interruptions, reconnections after disconnections and queries and complaints. This study will seek to understand whether the introduction of a service study has had any effect on the level of service quality or it is a public relations document. In order to achieve its new mission of 'powering people for better lives' and its vision of providing world class power that delights its customers KPLC has published a customer service charter being named 'Stima Flow'.

1.2 Research Problem

Schaap (2006) observe that strategy implementation or strategy execution is the most complicated and time consuming part of strategic management. While strategy formulation is primarily an intellectual and creative act involving analysis and synthesis, implementation is a hands-on operation and action oriented human behavioral activity that calls for executive leadership and key managerial skills. In addition, implementing a newly crafted strategy often entails a change in corporate direction and frequently requires a focus on effecting strategic change. To resolve this, strategic management should accomplish its very own shift of emphasis by moving from a 90:10 concern with strategy formulation relative to implementation to a minimum 50:50 proportion with each other (Grundy, 1998).

Implementation of KPLC strategies is more than implementing strategic plans. Strategic management prepares the company and people to project themselves into the future, focuses on institution's identity and image, while aiming at long term growth. The company has crafted various strategies to guide the company towards increasing the distribution of power in order to connect more customers. These however, can only be achieved with proper strategic plans being put in place and also its full implementation. It is noted that for successful strategy implementation it is important to engage all levels of the organization in strategy planning process. Information flow from the lowest levels of the organization up to the decision makers brings valuable input in decision making, planning and strategy formulation. If the implementers are involved they understand why the strategy is being implemented and is unlikely to resist the change

There are several studies that have been done locally on strategy implementation challenges.A study by Omollo (2007) focussed on the challenges of implementing strategic decisions at the Kenya Armed Forces Medical Insurance Scheme (AFMIS) and established that implementation of strategic decision as an on-going process that requires monitoring and evaluation at all stages to determine the best alternatives in the process at any given point in time due to the changing environmental conditions and that an organization need to formulate clear and well documented strategies from the very beginning of strategy formulation through to implementation and that managerial support at all levels of the organization must identify and embrace the strategy so that staff buy in the idea and connect with strategy being implemented. Nyangweso (2009) on the strategy implementation challenges at Cooperative bank who found out that in the case of Co-op bank just like in any other player in the banking industry, implementation of strategies should be fast, consistent and should be adaptable on many fronts simultaneously. Kiprop (2009) researched on challenges of strategy implementation at the Kenya Wildlife service and identified that a firm should focus on formal organizational structures and control mechanisms of employees while implementing its strategy. Akwara (2010) carried out a research on challenges of strategy implementation at the Ministry of co-operative Development and marketing and his studies revealed that: organization culture, Human resource policies, financial resources policies and procedures, information and operating systems and performance incentives were all impediments to strategy implementation. The study will therefore seek to answer the question; what factor influence strategy implementation at Kenya power and lighting company?

1.3 Research Objectives

The objective of the study was to examine the factors influencing strategy implementation at Kenya Power.

1.4 Value of the study

This study will be of value to:

The management of Kenya Power since it will help them understand the importance of involving the implementers in the formulation of the strategies they have designed. The recommendations of this study will form part of the action plans that will help in enhancing proper implementation of strategies in the company. This is because management will be able to make informed decisions on issues of implementation of strategies.

The government and regulators in the energy sector will also find invaluable information in how to implement their strategies and as a result put in place policies that will guide and encourage other firms within and without the industry in implementing their strategies. For academicians, this study will form the foundation upon which other related and replicated studies can be based on. Scholars will find it important as the study will increase to the body of knowledge in this area.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter highlights the major issues relating to concept of strategy, strategy implementation and strategy implementation challenges.

2.2 Concept of Strategy

A strategy is the direction and scope of an organization over a long term; which gives advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets to fulfill owners' expectation (Biggadike, 1976). Andrews (1971) argues that with respect to corporate strategy, strategists address what the firm might and can do as well as what the firm wants to do. However, he also argues that strategists must address what the firm ought to do. Thomson and Strickerland (2003) observe that strategies are at ends and these ends concern the purpose and objectives of the organization. They are the things that organizations do, the paths they follow and the decisions they take in order to reach certain points or level of success. The concept of strategy embraces the overall purpose of an organization.

Gole (2005) proposes that strategic management is a process, directed by top management to determine the fundamental aims or goals of the organization, and ensure a range of decisions which will allow for the achievement of those aims or goals in the long-term, while providing for adaptive responses in the short-term. The three core areas of corporate strategy as outlined by Gole (2005) encompasses: strategy analysis, strategy development and strategy implementation. Strategic analysis deals with examining the environment within which the organization operates.

As put by Pearce and Robinson (2007), strategy formulation is concerned with determining where the organization is, where it wants to go and how to get there. It involves carrying out situation analysis that leads to setting of objectives. Vision and mission statements are crafted and overall corporate objectives, strategic business unit objectives and tactical objectives are also developed. Strategy implementation is the process of allocating resources to support an organization's chosen strategies. This process includes the various management activities that are necessary to put strategy in motion and institute strategic controls that monitor progress and ultimately achieve organizational goals. Strategy evaluation includes review of external and internal factors that are bases for strategies formulated, measuring performance and taking corrective action, if necessary. This is important as all strategies are subject to future modification depending on environmental turbulence (Robbins and Coulter (1996).

2.3 Strategy Implementation

A brilliant strategy that can't be implemented creates no real value. Effective implementation begins during strategy formulation when questions of "how to do it?" should be considered in parallel with "what to do?" Effective implementation results when organization, resources and actions are tied to strategic priorities, and when key success factors are identified and performance measures and reporting are aligned (Deloitte and Touche, 2003). Implementation of strategy calls for alteration of existing procedures and policies. In most organizations, strategy implementation requires shift in responsibility from strategists to divisional and functional managers (Kazmi, 2002). It is therefore important to ensure that there is a shift in responsibility to ensure successful implementation. The implementers of strategy should therefore be fully involved in strategy formulation so that they can own the process.

Implementation of strategy is comprised a series of sub activities which are primarily administrative. If purpose is determined then the resources of a company can be mobilized to accomplish it. An organizational structure appropriate for the efficient performance of the required tasks must be made effective by information systems and relationships permitting co-ordination and subdivide activities. The organizational processes of performance measurement, compensation, management development –all of them enshrined in systems of incentives and controls – must be directed towards the kind of behavior required by organizational purpose(Mintzberg and Lampel, 2002).The role of personal leadership is important and sometimes decisive in the accomplishment of strategy.

2.4 Strategy Implementation Challenges

Formulating appropriate strategy is not enough. For effective strategy implementation, the strategy must be supported by decisions regarding the appropriate organization structure, reward system, organizational culture, resources and leadership. Just as the strategy of the organization must be matched to the external environment, it must also fit the multiple factors responsible for its implementation (Bateman and Zeithaml, 1993). Strategic planning is process by which an enterprise develops a vision of the future and draws up goals, strategies and action plans for realizing the vision. Performance contracts are drawn from strategic plans which are based on strategies and targets. According to Jones and Hill (1997), implementation of strategy is a way in which a company creates the organizational arrangement that allows it to pursue its strategy most effectively. Successful strategy implementation therefore, must consider issues central to its implementation which include, matching organizational structure to strategy, creating a supportive organizational culture among other issues.

2.4.1 Organizational Culture

Culture is a set of assumptions that members of an organization share in common (shared beliefs and values). Organizational culture helps in nurturing and dissemination of core values. Implementation of new strategy will be concerned with adjustments in the structure, employees, systems and style of doing things in order to accommodate the perceived needs of the strategy (Pearce and Robison, 2007). Weihrich and Koontz (1993) look at culture as the general pattern of behaviour, shared beliefs and values that members have in common. Culture can be inferred from what people may do and think within an organization setting. It involves the learning and transmitting of knowledge, beliefs and patterns of behaviour over time. This means organizational culture is fairly stable and does not change fast. It sets the tone for the company and establishes rules on how people should behave. The top managers create a climate for the organizations and their values influence the direction of the firm.

Culture affects not only the way managers behave within an organization but also the decisions they make about the organization's relationships with its environment and its strategy (Lorsch, and McCarthy, 2008).An organization's culture could be strong and cohesive when it conducts its business according to a clear and explicit set of principles and values which the management devotes considerable time to communicating to employees, and which values are shared widely across the organization. Companies can run into trouble when they fail to take into account their corporate cultures as they make changes in their strategy. Managerial behaviour arising out of corporate culture can either facilitate or obstruct the smooth implementation of strategy. A major role of the leadership within an organization is to create an appropriate strategy-culture fit (Kazmi, 2002).The well-managed organizations apparently have distinctive cultures that are, in some way, responsible for their ability to successfully implement strategies. It has been clearly demonstrated that every corporation has a culture that exerts powerful influences on the behaviour of managers (Swartz and Davis, 2006). Kazmi (1982) argued that corporate culture is one of the important attributes characterizing the management of excellent companies. Such companies achieve a fit between their strategies and culture. Lack of compatibility between strategy and culture can lead to high organizational resistance to change and de-motivation which can in turn frustrate the strategy implementation effort.

2.4.2 Organizational Structure

Successful strategy implementation depends in large part on the firm's primary organizational structure. Organizational structure plays a crucial role in defining how people relate to each other and in influencing the momentum of change (Dawson, 2004). It is through structure that strategists attempt to position the firm so as to execute its strategy in a manner that balances internal efficiency and overall effectiveness. Structure of a company should be compatible with the chosen strategy. If there is incongruence here, adjustments will be necessary either for the structure or the strategy itself. The structure of organizations in certain circumstances are unimportant for instance in small companies where an individual direct planning and execution of activities. Structure therefore applies in large organizations where they have many people. Symptoms of an ineffective organizational structure include too many levels of management, too many meetings attended by too many people, too much attention being directed toward solving interdepartmental conflicts, too large a span of control; and too many unachieved objectives.

Organizations should be structured in such a way that it can respond to pressure to change from the environment and pursue any appropriate opportunities which are spotted. Thompson and Strickland (1980) notes that strategy implementation involves working with and through other people and institutions of change. It is important therefore that in designing the structure and making it operational, key aspects such as empowerment, employee motivation and reward should be considered. Structure (Thompson 1997) is the means by which the organization seeks to achieve its strategic objectives and implement strategies and strategic changes. Strategies are formulated and implemented by managers operating within the current structure. The structure of an organization is designed to breakdown how work is to be carried out in business units and functional departments. People work within these divisions and units and their actions take place within a defined framework of objectives, plans, and policies.

Successful strategy implementation depends on a large part on how a firm is organized. Owen (2002) agrees that strategy and structure need to be matched and be supportive of each other in order to achieve objective set. The structure helps an organization identify its activities and the way in which it will coordinate them to achieve the firm's strategic objective. It also provides managers with a vehicle to exploit fully the skills and capabilities of the employees with minimal costs and at the same time enhance the firm's capacity to achieve superior efficiency, quality, innovation and customer responsiveness (Pearce and Robinson, 2007). One reason strategy implementation processes frequently result in problems or even fail is that the assignments of responsibilities are unclear. Who's responsible for what? To add to this problem, responsibilities are diffused through numerous organizational units that tend to think in only their own department structures. That's why cross-functional relations are critical to an implementation effort. Bureaucracy makes this situation even more challenging and can make the whole implementation a disaster. To avoid power struggles between departments and within hierarchies, you should create a plan with clear assignments of responsibilities regarding detailed implementation activities. Through this approach, responsibilities become evident, and you can avoid potential problems before they arise.

making it operational, key aspects such as empowerment, employee motivation and reward should be considered. Structure (Thompson 1997) is the means by which the organization seeks to achieve its strategic objectives and implement strategies and strategic changes. Strategies are formulated and implemented by managers operating within the current structure. The structure of an organization is designed to breakdown how work is to be carried out in business units and functional departments. People work within these divisions and units and their actions take place within a defined framework of objectives, plans, and policies.

Successful strategy implementation depends on a large part on how a firm is organized. Owen (2002) agrees that strategy and structure need to be matched and be supportive of each other in order to achieve objective set. The structure helps an organization identify its activities and the way in which it will coordinate them to achieve the firm's strategic objective. It also provides managers with a vehicle to exploit fully the skills and capabilities of the employees with minimal costs and at the same time enhance the firm's capacity to achieve superior efficiency, quality, innovation and customer responsiveness (Pearce and Robinson, 2007). One reason strategy implementation processes frequently result in problems or even fail is that the assignments of responsibilities are unclear. Who's responsible for what? To add to this problem, responsibilities are diffused through numerous organizational units that tend to think in only their own department structures. That's why cross-functional relations are critical to an implementation effort. Bureaucracy makes this situation even more challenging and can make the whole implementation a disaster. To avoid power struggles between departments and within hierarchies, you should create a plan with clear assignments of responsibilities regarding detailed implementation activities. Through this approach, responsibilities become evident, and you can avoid potential problems before they arise.

Successful strategy implementation depends to a large extent on the organizations structure because it is the structure that identifies key activities within the organization and the manner in which they will be coordinated to achieve the strategy formulated. Structure also influences how objectives and policies will be established, how resources will be allocated and the synergy across the departments. It is necessary for an organization to rationalize its operational management structures so as to streamline it to be effective in strategy execution. This would include transfers, mergers, and creation of new departments and divisions for effective management. The organization structure therefore should fit with the intended strategies (Birnbaum, 2000).

2.4.3 Top management commitment

The most important thing when implementing a strategy is the top management's commitment to the strategic implementation process itself. This is undoubtedly a prerequisite for strategy implementation. Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process. This commitment becomes, at the same time, a positive signal for all the affected organizational members. To successfully improve the overall probability that the strategy is implemented as intended, senior executives must abandon the notion that lower-level managers have the same perceptions of the strategy and its implementation, of its underlying rationale, and its urgency. Instead, they must believe the exact opposite. They must not spare any effort to persuade the employees of their ideas.

According to Chapman (2004), the management of the organization provides direction to workers as they pursue a common mission in implementing strategies. The leaders influence their relationship with their followers in the attempt of achieving their mission. Effective leadership is very crucial during strategy execution and can be achieved through participation by all groups and individuals captured in strategic plan through freedom of choice of leaders by team members. This leads to rational leadership styles for those with good leadership qualities and qualifications (Chapman. 2004).A good strategic leader operates without bias, be visionary, self-confident, has empathy and respect to others and is experienced. Strategy implementation calls for efficient and effective leaders to guide the rest of the employees through the strategic plan with a lot of ease and provide solutions and explanations to unclear issues (Chapman. 2004).

2.4.4 Resources allocation

Strategy can be best understood if it is viewed as an element of an organization that includes proper resource allocation. The causes of breakdown in strategy implementation relate to the capabilities, processes and activities that are needed to bring the strategy to life. Effective resource allocation calls for unique, creative skills including leadership, precision, attention to detail, breaking down complexity into digestible tasks and activities and communicating in clear and concise ways throughout the organization and to all its stakeholders. Successful strategy implementation is due to the design, development, acquisition, and implementation of resources that provide what is needed to give effect to the institution's new strategies (Judson, 1991).All organizations have at least four types of resources that can be used to achieve desired objectives financial resources, physical resources, human resources, and technological resources. Resource allocation is a central management activity that allows for strategy execution. Strategic management enables resources to be allocated according to priorities established by annual objectives. Organizations may be captured by their resource legacy or assumptions people make about what resource priorities really matter (Johnson and Scholes, 2002).A number of factors commonly prohibit effective resource allocation. These include an overprotection of resources, too great an emphasis on short run financial criteria, organizational politics, vague strategy targets, a reluctance to take risks, and a lack of sufficient knowledge (David, 1997).

The first stage of implementation of the corporate plan is to make sure that the organization has the right people on board. These include those folks with required competencies and skills that are needed to support the plan. In the months following the planning process, it is important to expand employee's skills through training, recruitment or new hires to include and add new competencies required by the strategic plan (Olsen, 2005). One of the reasons why strategy implementation processes frequently result in difficult and complex problems or even fail is the vagueness of the assignment of responsibilities. In addition, these responsibilities are diffused through numerous organizational units. Cross-functional relations are representative of an implementation effort. This is indeed a challenge, because as already mentioned before organizational members tend to think only in their "own" department structures. This may be worsened by over-bureaucracy and can thus end up in a disaster for the whole implementation. To avoid power struggles between departments and within hierarchies, one should create a plan with clear assignments of responsibilities regarding detailed implementation activities. This is a preventive way of ensuring responsibilities are clear and potential problems are therefore avoided.

The organization need to have sufficient funds and enough time to support the implementation process. True costs include realistic time commitment from staff to achieve a goal, a clear identification of expenses associated with a tactic, or unexpected cost overruns by vendors (Olsen, 2005). Resource allocation is important and equitable resource allocation and sharing is an important activity that enhances strategy execution. The resources include financial, physical, human, technological and good will resource. The budgetary resources should be marched with departmental operations. Effective implementation of any organization's strategic plan depends on rational and equitable resource allocation across the organization. Proper links should be developed between the strategic plan and operational activity at departmental levels in order to necessitate proper implementation of strategies (Birnbaum. 2000). Effective implementation of any strategic plan depends on rational and equitable resource allocation across the organization and investment. Resource allocation helps strategic managers to coordinate operations and facilitates control of performance. It is important to have a budget for the whole organization or sub-unit .The financial objectives of all the departments should be indicated. The strategic plan is linked to the annual business plan i.e. the budget (Birnbaum. 2000).

2.4.5 Communication Process

The suggestion that communication aspects should be emphasized in the implementation process seems to be a very simple one. Even though studies point out that communication is a key success factor within strategy implementation (Miniace and Falter. 1996), communicating with employees concerning issues related to the strategy implementation is frequently delayed until the changes have already crystallized. In this context, it is recommendable an organization institute a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy. In addition to soliciting questions and feedback, the communications should tell employees about the new requirements, tasks and activities to be performed by the affected employees, and, furthermore, cover the reason behind changed circumstances (Alexander, 1991).It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion. The way in which a change is presented to employees is of great influence to their acceptance of it. To deal with this critical situation, an integrated communications plan must be developed. Such a plan is an effective vehicle for focusing the employees' attention on the value of the selected strategy to be implemented. Therefore, communication plans will provide the appropriate information to market the strategy implementation effectively in order to create and maintain acceptance.

Birnbaum (2000) indicates that strategy implementation requires the transfer of information from one person to another through specific channels. Communication allows sharing of ideas, facts, opinions and emotions and above all provides feedback. In organizational strategy implementation, information flows in all directions; downwards, upwards and literally (Chapman, 2004). The employees freely communicate their ideas, suggestions, comments and complaints to the management on strategic objectives. These can be done through supervisors, joint consultative committee, suggestion schemes, trade unions or grapevine. Departmental communication is encouraged through inter-departmental meetings, committees and personal consultations. The management of the organization therefore thinks about the communication needs that to be articulated during strategy implementation.

Chapman (2004) stated that all doors of communication are opened as a way of problem solving and feedback provided immediately to enhance strategy implementation. Development of information communication technology facilities is pivotal in creating the necessary networking to the whole organization. For the strategic plan to be achieved all the departments need to work dependently and effective communication is quite crucial because it provides synergy. Information access, sharing and exchange are exploited to their full potential. In practice, policy also allows management to communicate a company's mission, major goals and objectives, and operational domain to its internal and external stakeholders.Communication down the organization or across different functions becomes a challenge. Making sure that processes throughout the organization support strategy execution efforts can be problematical in a large organization. Linking strategic objectives with the day-to-day objectives at different organizational levels and locations becomes a challenging task. The larger the number of people involved, the greater the challenge to execute strategy effectively.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter on research methodology will provide an in-depth chronology of how relevant data for the study was be obtained and processed in order to be meaningful to the research objectives. The topic covered research design, methods of data collection and data analysis.

3.2 Research Design

The research design was a case study. A case study is an in-depth investigation of an individual, institution or phenomenon. Case studies allow a researcher to collect in-depth information, more depth than in cross-sectional studies with the intention of understanding situations or phenomenon. It also helps to reveal the multiplicity of factors, which have interacted to produce the unique character of the entity that is subject of study. According to Cooper and Schindler (2005), case studies place more emphasis on a full contextual analysis of fewer events or conditions and their interrelations. The technique enabled the use of information from a representative sample of the participants. The study was used to identify the strategy implementation challenges at the Kenya Power and Lighting Company.

The study was a case study as a strategy research in order to understand or explain the phenomena, which is strategy implementation and the success factors to strategy implementation, by placing them in their wider context, which is the specific company within the insurance industry. The reason for this choice is based on the knowledge that case studies are the most appropriate for examining the processes by which events unfold, as well as exploring causal relationships and also they provide a holistic understanding of the phenomena (Kitay and Callus, 1998).

3.3 Data Collection

The study used primary data which was collected using an interview guide. An interview guide is a set of questions that the interviewer asks when interviewing. The respondents to be interviewed were those involved with formulation and implementation of the company's strategies who are the top managers in charge of planning, information communication technology, administration, human resource management, procurement and store and stock control. These are considered to be key informants for this research. In addition the departments in which the intended respondents work in are the key developers' and implementers of the company's strategies.

In-depth interviews reduce the "distance" between interviewer and interviewee (Johns and Lee-Ross, 1998). This method should be considered more often by researchers since it provides more qualitative information, more depth, more representation, more efficiency, more statistics, and more value (Stokes and Bergin, 2006). The choice of the respondents is very important, as senior executives are the head of the bank and the ones who can foster the organizational implementation of the strategy to their employees. Additionally, managers of all levels have a holistic view of the organization and of the implementation of strategies. Furthermore, they may provide access to more significant and useful secondary data as documents, and other valuable information.

3.4 Data Analysis

The data obtained from the interview guide was analyzed qualitatively. Qualitative data analysis makes general statements on how categories or themes of data are related. The qualitative analysis was adopted in this study because the researcher was able to describe, interpret and at the same time criticize the subject matter of the research since it was difficult to do so numerically. The qualitative analysis was done using content analysis.

A content analysis technique was used to generate and categorize items for comparison with the interview results from the managers of the offshore outsourcing firms. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Hsieh and Shannon, 2005). It involves observation and detailed description of objects, items or things that comprise the object of study.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective was to establish the strategy implementation challenges in Kenya Power. This chapter presents the analysis and findings with regard to the objective and discussion of the same.

4.2 Respondents Profile

This section of the interview guide wished to establish the respondent's work experiences. From the work experience, the researcher was able to assess their capacity to answer the questions on strategy implementation as well as the strategy implementation challenges. The respondents comprised the senior managers in Kenya Power. In total, the researcher interviewed six out of the targeted eight respondents. The respondents were all managers in charge of information and communication technology, planning, procurement, store and stoke control, administration and human resource. The respondents indicated that they have been holding the current position for a period of between one and sixteen years although they have worked in the company for a period of between seven and twenty years.

One observation made from the results of the interview was that the respondents would not change their current duties if given a chance as they highlighted that they were satisfied with their current duties, highlighting various opportunities available within the organization such as career development, interaction and solving customer complains, and the new challenges that come in the course of their duties. All these helped in personal development of the respondents and thus creating a motivated workforce.

4.3 Strategy Implementation

In this section, the respondents were to give their independent on what they consider to be the organizations strategy implementation. It was important to understand the implementation because a good strategy implementation that is all inclusive will impact on the degree of its success. The duration the strategy implementation in the company covers was indicated by the respondents as covering ten years and these would allow the company to focus resources on priorities.

The implementation of any organization strategy will only be successful if the employees who are the actual implementers participate fully in the process. This fact was reinforced by the respondents, who did indicate that one of the ways in which to motivate the employees to work to their best of ability in the strategy implementation process is to involve them is strategy formulation and implementation. This was however not the case in the company as the company uses top-down approach where only the top management were the one who undertook the task of strategy development and leaving out the middle level managers and the employees. The practices which were adopted by the company in the implementation of its strategy includes continuous monitoring and evaluation that generates quarterly and annual progress reports, capturing various aspects of the strategy in the performance contract and work plans, dividing the strategy into short term and medium term strategies, use of consultancy and involvement of stakeholders.

come in the course of their duties. All these helped in personal development of the respondents and thus creating a motivated workforce.

4.3 Strategy Implementation

In this section, the respondents were to give their independent on what they consider to be the organizations strategy implementation. It was important to understand the implementation because a good strategy implementation that is all inclusive will impact on the degree of its success. The duration the strategy implementation in the company covers was indicated by the respondents as covering ten years and these would allow the company to focus resources on priorities.

The implementation of any organization strategy will only be successful if the employees who are the actual implementers participate fully in the process. This fact was reinforced by the respondents, who did indicate that one of the ways in which to motivate the employees to work to their best of ability in the strategy implementation process is to involve them is strategy formulation and implementation. This was however not the case in the company as the company uses top-down approach where only the top management were the one who undertook the task of strategy development and leaving out the middle level managers and the employees. The practices which were adopted by the company in the implementation of its strategy includes continuous monitoring and evaluation that generates quarterly and annual progress reports, capturing various aspects of the strategy in the performance contract and work plans, dividing the strategy into short term and medium term strategies, use of consultancy and involvement of stakeholders.

4.4 Strategy Implementation Challenges at Kenya Power

This section of the interview guide aimed at establishing the strategy implementation challenges at Kenya Power. Formulating appropriate strategy is not enough and thus for effective strategy implementation, the strategy must be supported by decisions regarding the appropriate organization structure, organizational culture, resource allocation, top management commitment and reward and sanctions must be matched to the external environment, and it must also fit the multiple factors responsible for its implementation.

4.4.1 Organizational Culture

The respondents unanimously agreed that the culture being practiced in the company affected implementation of the strategy. The culture factors that were identified by the respondents varied and included the following: resistance to change, failure to adopt change fast enough, failure to recognize that the environment have changed and the fear of the unknown. The challenges brought about by the culture were nepotism, favoritism, un-ethical behaviors' and low integrity and change management which affects effectiveness and efficiency in service delivery. The respondents indicated that there are certain staff members that are used to a certain way of doing things in the company and whenever new changes were introduced or change of strategy is required to capture a certain opportunity, the same group will be slow in decision making thus leading to loss of opportunity. The respondents observed that when employees were used to a given way of life or doing things normal new ideas were seen as a threat to the existing culture and will naturally resist the same.

4.4 Strategy Implementation Challenges at Kenya Power

This section of the interview guide aimed at establishing the strategy implementation challenges at Kenya Power. Formulating appropriate strategy is not enough and thus for effective strategy implementation, the strategy must be supported by decisions regarding the appropriate organization structure, organizational culture, resource allocation, top management commitment and reward and sanctions must be matched to the external environment, and it must also fit the multiple factors responsible for its implementation.

4.4.1 Organizational Culture

The respondents unanimously agreed that the culture being practiced in the company affected implementation of the strategy. The culture factors that were identified by the respondents varied and included the following: resistance to change, failure to adopt change fast enough, failure to recognize that the environment have changed and the fear of the unknown. The challenges brought about by the culture were nepotism, favoritism, un-ethical behaviors' and low integrity and change management which affects effectiveness and efficiency in service delivery. The respondents indicated that there are certain staff members that are used to a certain way of doing things in the company and whenever new changes were introduced or change of strategy is required to capture a certain opportunity, the same group will be slow in decision making thus leading to loss of opportunity. The respondents observed that when employees were used to a given way of life or doing things normal new ideas were seen as a threat to the existing culture and will naturally resist the same.

Regarding the values and beliefs shared by the members of the company, the respondents noted that the company's values and beliefs were one team, passion, integrity, customer satisfaction, excellence, professionalization, accountability and commitment. All the respondents were in agreement that these values and beliefs posed a challenge to strategy implementation as it delays the implementation of strategy, when the values are not achieved, when integrity was not achieved and when un-ethical values are supported by un-professional conducts. On the existence of coordination committee to ensure outstanding issues on the implementation of strategy, the respondents indicated that there was no coordinating committee, what exist is a senior management committee whose deliberations are hidden in secrecy. Ineffective coordination and poor sharing of responsibilities hinders effective implementation of the set strategies and therefore the managers should put in place clear mechanisms to ensure that there is proper coordination in the ministry.

4.4.2 Organizational Structure

The structure of the company plays a crucial role in defining how people relate to each other and in influencing the momentum of change. It is through structure that those tasked with formulation and implementation of the strategy position the company so as to execute its strategy in a manner that balances internal efficiency and overall effectiveness. The structure of the company was a challenge to implementation of the strategy as it was long vertical structure thus difficult to pass a strategy, strategy lacking ownership at some stage due to none involvement of all levels in strategy development and compartmentalized boundary specific decision making structure where one office does not know what the next office does resulting into on-systematic implementation regime. The structure of the company is designed to breakdown how work is to be carried out in business units and functional departments and not to be an impediment in the developing or implementing the company's strategies.

On the alignment of the company's structure with strategies being implemented, the respondents noted that the structure of the ministry was not aligned with the strategies being implemented as each department and directors have specific mandate to perform but that was not the case as some administrative wing dominate the technical team which is responsible for strategy implementation and form business plans. In order to re-align the structure, the respondents indicated that the structure was being reviewed to be in line with business demands and the designation of clearly process flow that is meant to address the inadequacy in the general know how of the key implementation stages.

The respondents noted that the company was not fully structured to handle the pressure to change as even after strategy formulation, structure still remains the same and thus does not lend itself to proper decision making problems. The structure of the company was not flexible and therefore in case some strategies are not going the way they should be it is hard to alter in between and these affects the implementation of the strategies as it will slow down the implementation. The respondents were of the opinion that the company structure does not allow for breakdown of work on how the strategies were to be implemented as each department picks what is relevant to its functions and work has not been broken down to targets for specific department. It was observed that the top-down structure that was adopted by the company though good for controlling the activities of the organization, had impacted its decision making process as the response structure was found to be slow and in some cases lead to poor decision making. It is important therefore that in designing the structure and making it operational, key aspects such as empowerment and communication process is considered.

The respondents indicated that the structure of the company affected how objectives and policies were being established and implemented as each department has its own roles to play within the company and also the shorter the structure the faster the establishment and implementation of decisions in the company. The respondents intimated that communication should be two way so that it can provide information to improve understanding and responsibility, and to motivate staff. Also, communication should not be a once-off activity focusing on announcing the strategy. It should be an on-going activity throughout the strategy implementation process. Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation. In fact, communication is pervasive in every aspect of strategy implementation, as it relates in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an effect on the process of implementation. The company's structure affects communication from the management to the employees and vice versa at the structure was too long and sometimes to set communication trickle down becomes a challenge, failure to have effective communication affects strategy implementation, takes time to reach the top management and that the information does not flow as expected.

4.4.3 Top management commitment

On the challenges posed by the company's top management commitment to strategy implementation, the respondents noted that the management was in the forefront in providing leadership in strategy implementation and these provides a positive signal for all the affected organizational members. The leadership was found to be a challenge to the process of strategy implementation as they do not do a follow up, rigidity and bureaucracy together with the failure to embrace new ideas and innovational technology in business was noted as a challenge. In addition, some of the managers have been known to lack expected competence to ensure actualization of the strategies and also communication was uncoordinated, the work done have no relation with what is in the strategic plan and inward looking suffering from superiority complex where some managers do not communicate with juniors directly. Management resistance to change and new ideas, lack of commitment, lack of consistency, failure to follow up the strategy implementation, lack of visionary leadership together with poor leadership skills and knowledge are still additional challenges facing the organization. Some of these leadership skills were found to be due to a lack of proper training and this could be remedied through the process of training of those in the management positions.

The challenges facing the company has necessitated the formulation of ways to deal with the challenges and these includes having regular meetings, holding consultative meetings, raising the failure of leadership in management meetings, writing to the leadership on need for the follow up and raising them during team buildings secessions. Ineffective coordination and poor sharing of responsibilities would result to the company not implementing the strategy to its logical conclusion as it would be difficult to know who is supposed to do a certain task at a particular time or where the company started going wrong in implementing its strategy. The challenges include a few individuals tasked with more responsibilities at the expense of others, activities not being fully aligned to the strategy, over burdening of hard working employees due to uncoordinated work and the results not reflecting the organization strategic objectives and existence of a minority group who do not share the vision.

The management of the organization provides direction to workers as they pursue a common mission in implementing strategies. The leaders influence their relationship with their followers in the attempt of achieving their mission. The chief executive officers vision was not shared by all at all times due to the gap between the CEO and the employees being wide especially for shared knowledge and information and these impact strategy implementation in that it results in strategy implementation delay, desired results not being achieved. lack of coordination among all the stakeholders and reactive and non-innovative. Some of the solutions to these challenges were the need for direct and transparent communication between employees and senior management. revise the strategy to take into account the available resources. reviewing the current position with an aim of improvement. having an effective communication channels to all staff, having weekly and monthly meetings, involving the stakeholders in the strategy and vision and having a coordinated strategy implementation.

4.4.4 Resource allocation

This section of the interview guide aimed at determining from the respondents the effect of resource allocation on strategy implementation. On this area, the respondents pointed out that resource constraints hindered strategy implementation in the company. The resources highlighted as constraints were financial. limited space, communication equipment, infrastructure, human resource in terms of numbers, physical, time, technological and equipment and working tools. The respondents argued that when there is time shortage i.e. given time is underestimated; external partners also delay in providing expected support in time. Poor time planning may lead to disillusionment of the partners on strategic decisions who may quit the business before implementation is complete. As far as the resource is concerned setting and communicating deadlines that are workable as well as prioritizing on the policies is key.

In order to address the issue of resource limitation, the respondents indicated that the company has sourced for information communication and technology system to suit strategy, reviewing the process of procurement, requesting the finance division to allocate more resources, employing more skilled staff. renting while planning long-term building for the organization and optimal utilization of the scarce resources. With financial resources, proper planning and prioritizing on the policies is a key factor to consider avoiding wastage. It is also important to set aside enough finances for the project while ensuring that staff are motivated and recognized i.e. through reward and appreciation schemes. The staffs with adequate training in their roles in strategy implementation are nerve centre in boosting the organization competence and qualification to handle demanding tasks. As a result. the respondents noted that when the organization is setting budgets, it ought to incorporate adequate resources to ensure the realization of the set goals and putting in place mechanism of addressing the issue of resource limitation in their role.

The available resources are not adequate as it has forced the company to scale down on various projects which they intended to undertake due to inadequate finance especially for development expenditure like distribution of power to more customers in the rural areas. The company also faces challenges on physical facilities to be used by the available employees and in some instances there is congestion in some offices thus limiting the working of the employees. The steps undertaken by the company to counter the challenges posed by insufficient resources was indicated to be increasing resource availability. building offices to accommodate more staff.

4.4.5 Communication

Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation. Communication relates in a complex way to organizing processes. organizational context and implementation objectives which. in turn. have an effect on the process of implementation. Feedback on strategy implementation varies from one organization to another. however in Kenya power rarely communicated to employees on strategy implementation. The means of communication used to communicate awareness in the company includes; internal memos, email, notice boards and occasional senior staff meetings, circulars and workshops.

On the issue of whether there was adequate communication of the identified strategy to staff in the department, the respondents indicated that there was no adequate communication to the employees and the employees being the ones who are tasked with the implementation of the strategy, they need to be updated on the extent of the implementation for them to understand and accept the process. In order to improve and provide necessary and adequate communication, the company has been organizing sensitization meeting, budgeting for more information technology equipment, ensuring that there are departmental monthly meetings for all staff in the departments.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The study found out that the company was using top-down approach where only the top management was the one who undertook the task of strategy development. The practices which were adopted by the company in the implementation of its strategy includes continuous monitoring and evaluation that generates quarterly and annual progress reports. capturing various aspects of the strategy in the performance contract and work plans, dividing the strategy into short term and medium term strategies, use of consultancy and involvement of stakeholders. The culture being practiced in the company led to resistance to change by some employees as they are used to doing things in a way which they don't want to change. the same group will be slow in decision making that will lead to the loss of opportunity. The culture has also led to nepotism. favoritism, un-ethical behaviors' and low integrity and change management which affects effectiveness and efficiency in service delivery.

The company's values and beliefs included professionalization. accountability. efficiency, partnerships. gender equity. teamwork and commitment poses a challenge especially when un-ethical values are supported by un-professional conducts. There was no coordinating committee to resolve all outstanding issues on strategy implementation and these hinders effective implementation of the set strategies and therefore the managers should put in place clear mechanisms to ensure that there is proper coordination in the company. It was noted that the organizational structure which is currently in use in the company does not facilitate strategy implementation as it was long vertical structure thus difficult to pass a strategy, lacks ownership at some stage due to non-involvement of all levels in strategy development and at the same time it was not aligned to the strategies being implemented by the company. The study also found out that there was no coordinating committee to resolve all outstanding issues on strategy implementation and these hinders effective implementation of the set strategies and therefore the managers should put in place clear mechanisms to ensure that there is proper coordination in the company.

Top management commitment was found to be a challenge to strategy implementation as they do not do a follow up. rigidity and bureaucracy together with the failure to embrace new ideas and innovational technology in business was noted as a challenge. Management resistance to change and new ideas, lack of commitment, lack of consistency, failure to follow up the strategy implementation, lack of visionary leadership together with poor leadership skills and knowledge are still additional challenges facing the organization. The resources which were a challenge to the company was found to be financial, limited space, communication equipment, infrastructure, human resource in terms of numbers, physical, time, technological and equipment and working tools. Feedback on strategy implementation in the company was rarely communicated to the employees in the company and this affected strategy implementation in the company.

5.2 Conclusion

trategy formulation and implementation process is very vital for the functioning of the ompany. From the findings, it was established that the company adopts some practices in the rategy formulation and implementation which involve continuous monitoring and evaluation at generates quarterly and annual progress reports, capturing various aspects of the strategy in the performance contract and work plans. dividing the strategy into short term and medium term strategies, use of consultancy and involvement of stakeholders. All these are geared towards successful implementation of the strategies.

The company's culture brings about resistance to change as the company employees are used to doing things in a certain way and they are not ready to forego that for a new thing which they are not certain about its implications to their work. In order for the company to ensure successful implementation of strategy, the process of formulation and implementation should be all inclusive where each stakeholder's views are taken into consideration for each to feel part and parcel of the process. The structure of the company poses a challenge as it affects how the objectives and the policies are established and also how communication is carried out. The top-down structure that has been adopted by the company though good for controlling the activities of the organization. has impacted its decision making process. The company's leadership and management is a challenge to the process of strategy implementation as it affects coordination and sharing of responsibilities.

Top management commitment was important to strategy implementation as the rest of the employees looks upon the management for guidance on the implementation of the strategy. Resources constraint inhibits the company's ability to distribute power to more customers across the country. The feedback on communication enables those involved in the formulation and implementation of the strategy to the extent of the implementation and thus the necessity of the communication to the departmental employees.

5.3 Recommendations

The study found out that the top management of the company was an impediment to the implementation of strategy and therefore it is recommended that they should be at the forefront in ensuring that there is effective coordination and sharing of responsibilities in the company. The company's culture was found to have hindered strategy implementation and it is therefore recommended that the company should identify and change the culture prevailing as people can be captured by their collective experience rooted in the past success and organizational and institutional norms and changing a firm's culture to fit new strategy is usually more effective than changing a strategy to fit existing culture.

The structure which is in use currently in the company was identified as being a challenge to strategy implementation as the strategy lacks ownership at some stage due to none involvement of all levels in strategy development, compartmentalized boundary specific decision making structure and non-alignment of structure and strategies. The company should therefore ensure that all the employees are involved so that there could be ownership to strategy implementation in the company and at the same time align the structure to the strategies to be implemented. Resource constraint was identified as affecting the implementation of strategies in the company and it is recommended that the company source for more resources so that they can implement its strategies successfully in order to ensure a larger proportion of the country was connected with power. There should be adequate and regular communication to the employees by the management on the extent of strategy implementation so that they understand the progress of implementation while at the same time employees should be rewarded for successful implementation of strategy.

5.4 Recommendations for further research

The study confined itself to Kenya Power and the findings may not be applicable in other sectors as a result of the uniqueness of parastatals. This research therefore should be replicated in other parastatals on strategy implementation challenges.

REFERENCES

Alexander, L.D. (1991), 'Strategy implementation: nature of the problem', *International Review of Strategic Management*, John Wiley & Sons, New York, NY, Vol. 2 No.1, pp.73-96..

Batemen T and Zeithaml C.P. (1993). *Management*: Function and Strategy. Irwin Publishers. 2nd Edition.

Beer, M., and Eisenstat, R.A. (2000)."The Silent Killers of Strategy Implementation and Learning.*Sloan Management Review*, Summer, 29-42.

Bigler, A. M. (2001). *Managing scientists*: Leadership strategies in research and development. New York, NY: Wiley-Liss, Inc.

Birnbaum, R. (2000), *Strategy Implementation: Six supporting factors:* San Francisco: Jossey-Bass.

Chapman, A.M. (2004), *Strategy Implementation and Realization*.New York: Macmillan Press.

David, F.R., (1997). "*Strategic Management*" Francis Marion University: 239

Dawson, P. (2004). *Organizational Change*: A processuall Approach. Paul Chapman Publishing, London.

Deloitte and Touche, L.L.P. (2003) Business planning and Strategy Implementation.

Grundy, T. (1998)."Strategy implementation and project management", *International Journal of Project Management*,7, 313-327.

Harrington, D. A. (Ed.) (2004). "The strategic management of intellectual capita"l. Boston, MA: Butterworth-Heinemann. Vol. 13 No.2, pp.321-8.

Hsieh, T-Y.andShannon, S. (2005). 'Leadership as the starting point of strategy', *McKinsey Quarterly*,1: 67–76.

Hill C. and Jones G. (1997). *Strategic Management Theory*: An Integrated Approach, Houghton Mifflin Company, New York, 5th Edition.

Johnson, G. and Scholes, K., (2002). *Exploring Corporate Strategy*, 6" edition. Prentice- Hall, Europe.

Judson, A.S. (1991), "Invest in a high-yield strategic plan", *Journal of Business Strategy*, Vol.12 pp.34-9.

Kazmi, A., (2002). *Business Policy and Strategic Management*, 2nd edition, Tata McGraw-Hill Company Limited.

Miniace. J.N., and Falter, E. (1996). *Communication: A Key Factor in Strategy Implementation:* Vol. 38 pp 13-19.

Nyangweso. D.M (2009). *Strategy Implementation at Co-operative bank*: Unpublished MBA Project: University of Nairobi.

Omollo (2007). "*Challenges of implementing strategic decisions at the Kenya Armed Forces Medical Insurance Scheme (AFMIS)*". Unpublished MBA Research Project. University Of Nairobi.

Pearce. J.A and Robinson. R.B (2007). *Strategic Management: Formulation. Implementation and Control*, Irwin McGraw Hill. 10th Edition.

Pearce. J.A.. (II) and Robinson. R.B. (Jr.). (1994).*Formulation. Implementation and Control of Competitive Strategy*, 5th edition. Richard D. Irwin. Inc.

Schaap. J.I. (2006). „Toward Strategy Implementation Success: An Empirical Study of the Role of Senior-Level Leaders in the Nevada Gaming Industry. *UNLV Gaming Research & Review Journal*. 10. 13-37.

Thompson. J. L. (1997) "Feasibility and desirability of strategic management" Chapman and Hall

Thompson. A and Strickland. A. (2003). Strategic Management Concepts and Cases. 11th ed.. McGraw-Hill/Irwin. Boston MA.

Thompson, A and Strickland, A. (1980), "Hospitality marketing strategies and international development", in Witt, S., Moutinho, L. (Eds),Tourism Marketing and Management Handbook. pp.434-41..

Pearce, J.A and Robinson, R.B (2007). Strategic Management: Formulation. Implementation and Control. Irwin McGraw Hill. 10th Edition.

APPENDIX I: INTERVIEW GUIDE

The interview guide will seek to achieve the following objectives:

1. Determine the strategy implementation in the Kenya Power.

2. Establish the challenges of strategy implementation in the Kenya Power.

Background Information on the interviewees

- For how long have you been holding the current position?
- For how long have you worked in the organization?
- Would you change your current duties if given a chance?

Section A: Strategy implementation

- What duration does the organization strategy cover?
- What approach can you categorize the strategy development process of Kenya Power to take?
- What level of involvement of employees does the strategy development take?
- What practices does the ministry adopt in the implementation of its strategy?

Section B: Strategy implementation challenges

1. Organizational culture

a) Has the culture being practiced in the organization affected implementation of the strategy?

b) What challenges are brought about by the organization's culture?

c) What are some of the values and beliefs shared by the members of your organization?

APPENDIX I: INTERVIEW GUIDE

The interview guide will seek to achieve the following objectives:

1. Determine the strategy implementation in the Kenya Power.

2. Establish the challenges of strategy implementation in the Kenya Power.

Background Information on the interviewees

- For how long have you been holding the current position?
- For how long have you worked in the organization?
- Would you change your current duties if given a chance?

Section A: Strategy implementation

- What duration does the organization strategy cover?
- What approach can you categorize the strategy development process of Kenya Power to take?
- What level of involvement of employees does the strategy development take?
- What practices does the ministry adopt in the implementation of its strategy?

Section B: Strategy implementation challenges

1. Organizational culture

a) Has the culture being practiced in the organization affected implementation of the strategy?

b) What challenges are brought about by the organization's culture?

c) What are some of the values and beliefs shared by the members of your organization?

d) Does this pose a challenge to the process of strategy implementation?

e) Is there a coordinating committee to ensure that all outstanding issues regarding the implementation of the strategy are resolved and that the activities of the various directorates are properly coordinated?

2. Organizational structure

a) How does the structure in your organization pose a challenge to strategy implementation?

b) Is the organizational structure of the organization aligned with strategies being implemented?

c) Were there any measures taken to re-align the organizational structures?

d) Is the organization structured in such a way that it can respond to pressure to change from the environment and pursue any appropriate opportunities which are spotted?

e) Does the organization structure allow for breakdown of work on how the strategy will be carried out in business units and functional departments?

f) What approach can you describe the organization strategy formulation to adopt? Top down or bottom up?

:) Does the structure of the organization affect how the objectives and policies will be established and implemented?

h) How does the organization's structure affect communication from the management to the employees and vice versa?

Top management commitment

a) Was the Permanent Secretary (CEO) in the forefront in providing leadership in strategy implementation?

b) Is leadership a challenge to the process of strategy implementation?

c) What kind of challenges do you face with leadership?

d) How do you deal with such challenges?

e) Do you face the challenges posed by ineffective coordination and poor sharing of responsibilities?

f) Are you faced with the challenge of conflict in leadership whereby the CEO's vision is not shared all?

g) How does this impact on the process of strategy implementation?

h) What would you say are some of the solutions to these challenges?

4. Resource allocation

a) Do you have any resource constraints hindering strategy implementation?

b) What kind of resources in particular?

c) How do you address the issue of resource limitation?

d) In your opinion, were the available resources (Physical, financial, technological and human) adequate for strategy implementation?

e) Are there measures which have been taken by the organization to avail enough resources to enable the Kenya Power to implement its strategy successfully?

5. Communication

a) How often is feedback on strategy implementation communicated to the employees?

b) What means of communication does the management use to communicate the awareness of change at the Kenya Power?

c) Is there adequate communication of the identified strategy to staff in your department for their understanding and acceptance?

d) What measures have you instituted to improve and provide necessary and adequate communication on strategy implementation?