CHALLENGES OF STRATEGY IMPLEMENTATION AT THE KENYA CIVIL AVIATION AUTHORITY
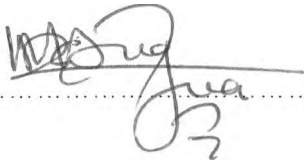
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DECLARATION

This Management Research Project is my original work and to the best of my knowledge it has not been submitted for award of a Degree in any other University.

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This Management Research Project has been submitted for examination with my approval as the University Supervisor

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DEDICATION

To the true pillars in my life, my dear wife Carolyne, Son Trevor my Mom Fraciah and my Siblings. I owe it all to you. Thank you for your love and support.

ACKNOWLEDGEMENTS

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LIST OF ABBREVIATIONS AND ACRONYMS

AAR	Africa Air Rescue
ANS	Air Navigation Services
COMESA	Common Markets For Eastern and Southern Africa
DCA	Directorate of Civil Aviation
EAC	East African Community
EADCA	East African Directorate of Civil Aviation
EASA	East Africa School of Aviation
IATA	The International Air Transport Association
ICAO	International Civil Aviation Organization
SARPs	Standards and Recommended Practices
KAA	Kenya Airports Authority
KCAA	Kenya Civil Aviation Authority
PICAO	Provisional International Civil Aviation Organization

ABSTRACT

Strategy implementation is the process of converting intents into actions to achieve desired results. It forms the vital phase in the strategic planning process. On average, 90% of well formulated strategies fail at implementation. This is because strategic management and hence strategy implementation process is context sensitive. Management's handling of strategy implementation process can be considered successful if and when the company achieves the targeted strategic and financial performance and shows good progress in making its strategic vision a reality.

This study focused on the strategy implementation process at KCAA and thus sought to establish the challenges faced during implementation of KCAA's strategies as spelt out in her 2005-2010 strategic plan. This study was informed by the fact that in the previous strategic management studies that have been done, few have been conducted with focus on the aviation industry in Kenya. This is especially important given the unique role KCAA plays both as a regulator and a service provider.

The study adopted the management's role in effective strategy implementation and therefore the conceptual argument revolves around deliberate attempt by an organization to obtain sustainable long-term advantage in the delivery on expectations of stakeholders through developing a strategic plan, institutionalizing it and effectively operationalizing it. The major challenge of strategy implementation in organizations is a failure to translate statements of strategic purpose into an identification of those factors critical to achieving these objectives and the resources and competencies which will ensure success.

Data for this study was conducted through individual depth interview which was targeted at KCAA top management. The results from this study were wide and varied. It can be pointed however that strategic management process is still a concept new and yet to be fully embraced at KCAA. It was evident from the analysis that the formulation process was done well but the implementation process faces various challenges which are not so unique to the organization. The institutionalization process is way behind schedule as the organization's strategy in terms of structure, leadership and culture are the most challenging aspects. The operationalization process which involves securing, organizing and directing the use of resources within and outside KCAA has been mainly affected by factors that can be directly attributed to the deficient institutionalization process.

The study is presented in five chapters through which the researcher tried to emphasis on the issues affecting organizations. The findings of this study should be understood and evaluated in light of the limitations of this study and the implications on policy should be viewed on the purpose on which the study was conducted. This study however, is considered useful to KCAA's strategic management team and the overall management as it will provide a foresight during the formulation and implementation of her future strategies.

CHAPTER ONE
INTRODUCTION

1.1 Background of the study

Strategy implementation takes place as series of steps, programs, investments and moves that occur over an extended period of time. Managers implement strategy by converting broad plans into concrete, incremental actions and results of specific units and individuals. As a means of implementing broad strategies, narrow strategic projects are often undertaken These narrow projects represent part of what needs to be done if the overall strategy is to be accomplished (Ansoff & McDonnel, 1990). Thompson and Strickland, (1989) wrote that what complicates the work of strategy implementer is the multiplicity of tasks combined with the variety of ways to approach each task. Implementation therefore has to be custom tailored to the organisation's overall setting. The implementer has to bring the organisation's conduct of its external operations into good alignment with strategy and to unite the total organisation behind strategy accomplishment. Thompson and Strickland (2005) argue that managing the implementation and execution of strategy is an operations oriented activity aimed at performing core business activities in a strategy-supportive manner. This makes implementation the most demanding and time consuming part of strategy management process. They further argue that converting strategic plans into actions and results tests a manager's ability to direct organizational change, motivate people, build and strengthen company competencies and competitive capabilities, create and nature a strategy-supportive work climate to meet or beat performance targets. Good strategy execution requires diligent pursuit of operating excellence. It requires involvement of the company's team while its success hinges on the skill and cooperation of operating managers who can push needed changes in the organisation units and consistently deliver good results. Therefore strategy implementation can be considered successful if things go smoothly enough that the company meets or beats target and further shows good progress in achieving management's strategic vision.

1.1.1 Strategy implementation challenges

The major challenge of strategy implementation in organizations is a failure to translate statements of strategic purpose into an identification of those factors critical to achieving these objectives and the resources and competencies which will ensure success. For a successful strategy implementation the organization should be able to allocate resources and

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control performance in line with the strategy. Thompson and Strickland (2005), argue that a winning strategy must fit the enterprise's external and internal situation, build sustainable competitive advantage and improve company performance. The stronger the strategy-supportive fits, the greater the chances of successful strategy implementation. Successful strategy execution depends greatly on good internal organisation and competent personnel. This makes building a capable organisation a top priority. However it is noted that changing circumstances and ongoing management efforts to improve the strategy cause a company's strategy to evolve over time. A company's strategy therefore will be shaped partly by the management's analysis and choice and partly by the necessity of adapting and learning by doing. Thompson and Strickland (1989) states that strategy implementation triggers managers into the budgeting process. How well a strategy the manger ties the organization's budget directly to the needs of strategy can either promote or impede the process of strategy implementation and execution. They also observe that successful strategy execution depends greatly on good internal organization and competent personnel.

Creating an organizational culture which is fully harmonized with the strategic plan offers a strong challenge to the strategy implementer. Therefore existing strategy supportive cultures should be emphasized and reinforced while aspects of an existing culture antagonistic to a proposed strategy should be identified and changed. Any change in structure, technology, people or strategies has the potential to disrupt comfortable interaction patterns hence people resist change. Resistance to change is considered the single greatest threat to successful strategy implementation, people often resist strategy implementation because they don't understand what is happening or why changes are taking place thus employees need accurate information. Resistance to change can emerge at any stage or level of strategy implementation processes (David 1999).

1.1.2 Kenya Civil Aviation Authority

The consequence of the studies initiated by the US and subsequent consultations between the Major Allies was that the US government extended an invitation to 55 States or authorities to attend, in November 1944, an International Civil Aviation Conference in Chicago. The most important work accomplished by the Chicago Conference was in the technical field because the Conference laid the foundation for a set of rules and regulations regarding air navigation as a whole which brought safety in flying a great step forward and paved the way for the application of a common air navigation system throughout the world.

From the very assumption of activities of PICAO/ICAO, it was realised that the work of the Secretariat, especially in the technical field, would have to cover two major activities:

First are those which covered generally applicable rules and regulations concerning training and licensing of aeronautical personnel both in the air and on the ground, communication systems and procedures, rules for the air and air traffic control systems and practices, airworthiness requirements for aircraft engaged in international air navigation as well as their registration and identification, aeronautical meteorology and maps and charts.

Second are those concerning the practical application of air navigation services and facilities by States and their co-ordinated implementation in specific areas where operating conditions and other relevant parameters were comparable.

As a consequence of the above ICAO adopted the concept of Regions and Regional Offices on the understanding that any regional activities could only be undertaken provided they did not conflict with the world-wide activities of the Organization. However, it was also recognised that such activities could vary from Region to Region taking into account the general economic, technical or social environment of the Region concerned (http://www.icao.int/cgi/goto_m.pl?icao/en/hist/history02.htm)

Air transport is one of the most dynamic industries in the world. The International Air Transport Association (IATA) is its global trade organisation. For over 60 years, IATA has developed the commercial standards that built a global industry. Today, IATA's mission is to represent, lead and serve the airline industry. Its members comprise the world's leading passenger and cargo airlines representing 93 percent of scheduled international air traffic. IATA seeks to improve understanding of the industry among decision makers and increase awareness of the benefits that aviation brings to national and global economies. It fights for the interests of airlines across the globe, challenging unreasonable rules and charges, holding regulators and governments to account, and striving for sensible regulation. IATA's aim is to help airlines help themselves by simplifying processes and increasing passenger convenience while reducing costs and improving efficiency. IATA ensures that people and goods can move around the global airline network as easily as if they were on a single airline in a single country. In addition, it provides essential professional support to all industry stakeholders with a wide range of products and expert services, such as publications, training and consulting (http://www.iata.org/index.htm).

The Kenya Airports Authority (KAA), established in 1991 under KAA Act, Chapter 395 of the Laws of Kenya, provides facilitative infrastructure for aviation services between Kenya and the outside world. Its main functions are: to administer, control and manage aerodromes, to provide and maintain facilities necessary for efficient operations of aircrafts, to provide rescue and firefighting equipment and services, to construct, operate and maintain aerodromes and other related activities, to construct or maintain aerodromes on an agency basis on the request of any Government department, to provide such other amenities or facilities for passengers and other persons making use of the services or facilities provided by the Authority as may appear to the Board necessary or desirable; and to approve the establishment of private airstrips and control of operations thereof.
(http://www.kenyaairports.co.ke/kaa/about)

The History of Kenya's Civil Aviation dates back to the period after the Second World War. The colonial governments administering Kenya, Uganda, Tanganyika and Zanzibar under the umbrella of the East African High Commission formed the East African Directorate of Civil Aviation (EADCA). The Directorate was responsible for the regulation of the industry and the provision of Air Navigation Services and other technical services necessary for the orderly operation and growth of air transport. The Government of Kenya, aware of the global trends in the aviation industry, recognized the need to de-link the DCA from the mainstream civil service. This recognition was in line with an International Civil Aviation Organization (ICAO) resolution, which encouraged States to establish autonomous entities to operate national civil aviation systems. On 24th October 2002 the Act received Presidential assent and became effective the same date thus establishing the Kenya Civil Aviation Authority (KCAA) as an autonomous corporate body to take over the functions of the DCA and the Licensing of Air Services.

The Authority was established for the planning, development, management, regulation and operation of a safe, economical and efficient civil aviation system in Kenya in accordance with the provisions of the Civil Aviation Act, Cap. 394. The mandate of the Authority is essentially embedded in its functions/responsibilities, which can be categorised into; Licensing of air services and production of accurate, timely, comprehensive and relevant air transport information for planning and decision-making purposes; Provision of the air navigation services (planning, development and formulation) for the safe and efficient utilisation of the Kenyan airspace and the coordination and direction of search and rescue

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services; Establishment and maintenance of a system of aircraft registration and marking as well as the registration of rights in aircraft; Securing sound development of the civil aviation industry in Kenya and advising the Government on matters concerning civil aviation; Provision of services and facilities relating to aircraft accident and incident investigation; Safety and technical regulation of civil aviation including certification of aircraft operators; enforcement of approved technical standards of aircraft; licensing and monitoring of aeronautical personnel and approval. certification and licensing of aircraft maintenance organizations and training institutions; Dealing with incidents of unlawful interference with aviation security; Ensuring the integrity of the systems, equipment and facilities of the Authority and provision of technical services for the design, installation and modification of electronic, radio and other equipment used in the provision of air navigation services; Issuance and dissemination of publications including notices to airmen, aeronautical information publications and circulars, notices to licensed aircraft maintenance engineers and to owners of aircraft and manuals of air traffic control instructions; lastly Establishment, management and operation of training institutions for purposes of the Authority. KCAA has four main directorates; the service delivery arm referred as the Air Navigation Services directorate, the regulation/legislation and enforcement arm referred as the Air Safety Standards and Regulations directorate, the administrative arm and lastly the training arm constituted by the region's re-known East Africa School of Aviation (EASA) (http://www.kcaa.or.ke).

1.2 Statement of the Problem

The world and specifically Kenya must be prepared to accommodate the growing demand for air transportation which has been fueled by ability of aviation to offer safe, affordable, fast, and predictable services. As KCAA observes in her strategic plan, while the global aviation industry evolves, a number of factors such as economic, political and technological have in the recent past had both positive and negative impact on the industry. This has in turn led to challenges for the industry worldwide particularly for the air operators and regulators. The Kenyan industry is no exception and this has necessitated a civil aviation regulator and air navigation services provider that responds to the dynamic industry needs. In addition, taking cognizance of the obligations of the Authority under the Performance Contracting regime introduced by the Government, the KCAA embarked on formulation of a Strategic Plan. The Plan was development in 2005 and provides a road map, and an implementation framework that will ensure that KCAA becomes and remains a model of excellence in terms of

compliance with global aviation standards. The Strategic Plan essentially articulates the vision, mission, strategies and corporate objectives of the Authority for the period 2005 to 2010. This study sought to discuss the concept of strategic management in civil aviation and more specifically explore on the challenges that KCAA has had to contend with in fulfilling its role on development of civil aviation in Kenya and within the region.

Several researchers have carried out studies in the area of challenges facing strategy implementation in various sectors and businesses such as Moeva (2007) did a study on Challenges facing the implementation of strategy for revitalizing agriculture, Kango'ro (1998) looked at the strategic management practises in public sector organizations in Kenya, Gichohi (2007) studied strategy formulation and implementation at AAR group of companies, Koske (2003) Strategy implementation and its challenges in the public corporations; The case of Telkom Kenya Limited. Ateng (2007) sought to find out the challenges of strategy implementation at the ministry of finance in Kenya. These studies, among others, were subject to variables inherent within the industries concerned. This brought out the need to evaluate whether the same conclusions could apply in a general form and especially so in the public sector. The uniqueness of air transport industry necessitated a separate study to be undertaken focusing on KCAA which from its mandate is the sole industry regulator and provider of air navigation infrastructure and services. This makes strategy implementation more complex since it depicts KCAA as a regulator on one hand and as a service provider on the other. In view of this complexity, KCAA envisioned a strategic direction in 2005. This study aimed to establish the challenges that the authority has faced as it seeks to realize this vision.

1.3 Objective of the study

The objective of this study was to establish the challenges KCAA has faced during the implementation of the strategies as envisioned in her 2005/2010 strategic plan.

1.4 Significance of the study

The findings of this study will seek to add to the growing body of knowledge on strategic management in the aviation industry. Additionally, the study will be important to various stakeholders.

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First, it will be of help to the management of the KCAA as it will provide insight into the challenges faced in implementing the formulated strategies.

Secondly it will be crucial to all stakeholders who were involved in formulating the 2005/2010 strategic plans and also those who will be involved in the next phase of aviation development in Kenya as the country prepares to formulate strategies that place air transport, and the value addition from it, as a pillar for realization of Kenya's vision 2030.

Thirdly it will be of benefit to consultants who endeavour to use related findings in formulating and implementing strategies in a related environment.

Fourthly we acknowledge that the study cannot be exhaustive and therefore it will offer suggestions and basis of further research to other scholars to contribute towards strategic management it aviation industry.

CHAPTER TWO
LITERATURE REVIEW

This section contains the discussions on concept of strategy and its implementation. Strategy formulation has resulted from the need for organizations to be proactive in dealing with a due to progressively increasing turbulence of the environment both internal and external. Strategy implementation on the other hand takes place as series of steps, programs, investments and moves that occur over an extended period of time. Managers implement strategy by converting broad plans into concrete, incremental actions and results of specific units and individuals. As a means of implementing broad strategies, narrow strategic projects are often undertaken. Mintzberg and Quins (1991), argued that 90% of well formulated strategies fail at implementation stage. It is therefore discussed here what are the factors that contribute towards successful strategy implementation as well as the main challenges that are faced by organizations during strategy implementation.

2.1 Concept of Strategy

Strategy is the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations (Pierce & Robinson.2007).

Mintzberg, Bruce and Lampell, (2005) in their book Strategy Bites Back, present 5 "P's" as a way to define strategy. Each "P" shines a spotlight on what strategy encompasses from different angles to provide a comprehensive overview of strategy. Strategy is defined here as a plan, ploy, pattern, position and/or perspective that an organization uses to adapt to the environment. Thompson and Strickland (2005) define strategy as management's action plan for running the business and conducting operations. They note that a strategy represents a managerial commitment to pursue a particular set of actions in growing the business, attracting and pleasing customers, competing successfully, conducting operations and improving the company's financial performance. They further argue that the best indicators of a company's strategy are its actions in the market place and the statements of the managers about the company's current business approaches, future plans and efforts to strengthen its competitiveness and performance.

According to Ansoff and McDonnel (1990), the concept of strategy is the firm's business and common thread which is arrived at through the use of product-market scope. Newman, (1989) defines the role of strategy as reflecting the choice of the key services that the

organization will perform, and the primary basis for distinctiveness in creating and delivering such services

Johnson and Scholes (2008) observes that Strategy is concerned with the long-term direction of the firm, scope of an organizations activities, how to achieve some advantage for the organization over competition, search for strategic fit with the business environment and creating opportunities by configuring an organization's resources and competences with the aim of fulfilling stakeholder expectations. The strategy is affected not only by the environmental forces and strategic capability but also by the values and expectations of those who have power in and around the organization. There has to be a concern over the long term direction of the organization. These concerns have to do with the scope of an organization's activities in terms of things like organization's product range, its markets, and its processes, The organization has to think of how to achieve a competitive advantage over its competitors. From this then the organization has to think of how to create opportunities by building on its resources and competencies. After considering the above factors then the organization has to think of how to align its strategy with the business environment. This may include resource acquisition, positioning, changing the values and expectations of those who have power to influence the direction of the organization among others. Mintzberg, Lampel, Quin and Ghosal (2002) describe strategy as the pattern or plan that integrates an organization's major goals, policies, and action sequences into a cohesive whole. A well formulated strategy helps to marshal and allocate an organization's resources into a unique and viable posture based on its relative internal competencies and shortcomings, anticipated changes in the environment, and contingent moves by intelligent opponents.

A winning strategy must fit the enterprise's external and internal situation, build sustainable competitive advantage and improve company performance (Thompson & Strickland, 2005). They further write that what distinguishes a winning strategy from the rest is that first the strategy has to be well matched to industry and competitive conditions, a company's best market opportunities and other aspects of the company's external environment. Secondly, the strategy must be durable and big so as to be more powerful and appealing. Thirdly, the strategy must boost the performance of the company through gains in profitability, financial strength, and market standing. However it is noted that changing circumstances and ongoing management efforts to improve the strategy causes a company's strategy to evolve over time. A company's strategy therefore will be shaped partly by the management's analysis and choice and partly by the necessity to adapt and learn by doing.

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2.2 Strategy Implementation

Once managers have decided on a strategy, the emphasis turns to converting it into actions and good results. This calls for different sets of managerial skills. Executing strategy is an action-oriented, make things happen task that tests a manager's ability to direct organizational change, achieve continuous improvement in operations and business processes, create and nature a strategy supportive culture and consistently meet or beat performance targets (Thompson & Strickland, 2005). Implementing a strategy involves figuring out the specific techniques, actions and behaviour that are needed for a smooth strategy-supportive operation and then following through to get things done and deliver results. Management's handling of strategy implementation process can be considered successful if and when the company achieves the targeted strategic and financial performance and shows good progress in making its strategic vision a reality.

Mintzberg and Quins (1991), argued that 90% of well formulated strategies fail at implementation stage. David (1997) seems to conquer when he argues that only 10% of formulated strategies are successfully implemented. Reasons that have been advanced here are that failure is as a result of the nature of the strategy itself, lack of fit between structure and strategy, lack of sufficient allocation of resources, nature of the organization's culture, leadership, and the nature of rewards system. Kangogo (1998) observed that the environment within which public sector organizations exist is getting more complex and changing rapidly as a result of pressure to perform from the Kenyan public and donors. However despite this pressure and existence of strategic management there seems to be lack of commitment from top management and other employees. David approached strategy implementation from a management perspective and argued that strategy implementation involves establishing annual objectives, devising policies, allocating resources, altering an existing organisational structure restructuring and reengineering, revising rewards and incentive plans, minimising resistance to change, matching managers with strategies, developing a strategy supportive culture, adapting productive operation processes and developing an effective human resource function while downsizing when necessary.

Johnson and Scholes (2008) views strategy development process through two broad ways. One is that there is an expression of a desired strategy as deliberately formulated or planned by managers. This may be associated with the use of tools, techniques and frameworks for

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strategy analysis and evaluation that emanates as a result of strategic leadership including the role of vision and command. In this circumstances then strategy is seen as the deliberate intention of the leader. It may also take the form of systemized, step-by-step chronological procedures to develop or coordinate an organization's strategy. Lastly it may also take the form of externally imposed strategy in situations where managers face what is considered an imposition of strategy by powerful external stakeholders.

The other expression by Johnson and Scholes (2008) is the emergent strategy development. This changes by building on and amending what has been done before. As time goes on, each move is informed by this developing pattern of strategy and in turn, reinforces it. This in turn helps consolidate the strategic direction and over time the overall strategic approach of the organisation becomes more established. It is therefore as a result of everyday routines, activities and processes in organization leading to decisions that become the long-term direction of the organization. This expression is where strategy development is described as logical incrementalism which is the development of strategy by experimentation and learning from partial commitments rather than through global formulations of total strategies. This situation is usually necessary as a result of environmental uncertainty, generalised views of strategy, experimentation, or a process of coordinating emergent strategies from a mix of formal and informal social and political processes. Another view of emergent strategy is as a result of resources allocation through negotiation across organizational levels. Another view of emergent strategy is as a result of organizational politics through a process of bargaining and negotiating among powerful internal or external interest groups and lastly as a result of the organization's culture process which occurs as the outcome of taken-for-granted assumptions and behaviours in organizations.

2.3 Factors important for successful strategy implementation

The strategy must be institutionalized to permeate into the day-to-day life of the organization so as to be effectively implemented. There are three elements which provide the fundamental long-term means for institutionalizing the firm's strategy namely; structure, leadership and culture. Managers attempt to rationalize and recast their organizational structure, leadership, and culture and reward system to ensure basic level of cost competitiveness, capacity for responsive quality and need to shape each one to accommodate unique requirements of their strategies (Pearce & Robinson 1997).

Strategy implementation also consists of the operationalization process which involves securing, organizing and directing the use of resources within and outside of the organization. Securing resources includes staffing the organization and providing the development, educational opportunities, and compensation and personal policies to attract and keep the required human resources. Organizing resources includes the philosophy of the organization's management and the view of human nature underlying it, the formal and informal organizational structures, the overall climate of institution and the role of communication and information both formal and informal (Pearce & Robinson 1997). Directing the utilization of resources embraces the managerial activities associated with coordinating the use of all resources including planning and incentives needed to motivate organizational members and to monitor activities in the use of other resources (Mc Carthy et al 1996).

Specifics for executing a strategy always have to be customized to fit the particulars of a company's situation and should reflect the management's intent of how best to proceed. However despite the need to tailor a company's strategy-executing approaches to a particular situation, certain managerial bases have to be covered no matter the circumstances (Thompson & Strickland 2005)

2.3.1 Building a capable organization to successfully execute the strategy

Proficient strategy execution depends heavily on competent personnel, better-than-adequate competitive capabilities and effective internal organization. Therefore the priority is building a capable organisation. This involves staffing the organization by putting together a strong management team and recruiting and retaining employees with needed experience, technical skills and intellectual capital. The quality of an organisation's people is always an essential ingredient of successful strategy execution. It also involves building core competencies and competitive capabilities by developing proficiencies in performing strategy–critical value chain activities and updating them to match changing market conditions and customer expectations. Core competencies and competitive capabilities are bundles of skills and knowledge that most often grow incrementally out of a combined effort cross-functional work groups and departments performing complementary activities at different locations in the firm's value chain.

Next is structuring the organization and work effort by organizing value chain activities and business processes and deciding how much decision-making authority to push down to lower level managers and front line employees. Related aspects of organizing the work effort

includes; deciding which value chain activities to perform internally and which to outsource, making strategy-critical activities the main building block of the organization structure, determining the degree of authority and independence to give to each unit and each employee, providing for internal cross-unit coordination, and lastly providing for collaboration with outside suppliers and strategic allies (Thompson & Strickland 2005).

According to Pearce and Robinson (2002) structure is the division of tasks for efficient and clarity of purpose and coordination between the independent parts of the organization to ensure organizational effectiveness. Structure balances the need for specialization with the need for integration. It provides the formal means of decentralizing and centralizing consistent with the organizational control needs of the strategy. There are five basic types of structural choices namely; simple, functional, divisional, strategic business unit and matrix structures. More turbulent and diverse environments require increasingly complex and flexible structures. They further identify the existence of functional strategies which are short-term activities that each functional area within a firm must undertake in order to implement the grand strategy. They must be consistent with the long-term objectives and the grand objectives.

2.3.2 Marshalling sufficient resources for strategy execution

Managers need to determine, at an early stage, what resources will be needed and then consider the suitable methods of raising such resources. The ability to raise the required funds to execute the desired strategy has a great impact on the execution process. Too little funding slows down the progress while too much funding will result in a wasteful organisation hence reduces financial performance. The funding requirements of a new strategy must drive how capital allocations are made and the size of each unit's operating budgets (Thompson & Strickland 2005). According to David (1997), annual objectives serve as guidelines for action and are considered essential for implementation because they represent the basis for allocating resources, they are primary mechanisms for evaluating managers, are major instruments for monitoring progress toward achieving long term objectives and are used to establish organizational, divisional and departmental priorities.

2.3.3 Instituting policies and procedures that facilitate strategy execution

A company's policies and procedures can either cause good execution or be a barrier. A change in strategy or a push for better strategy execution requires some changes in work

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practices and behaviour leading to instituting a select set of policies and procedures that in the long run will aid strategy execution by providing top-down guidance regarding how certain things need to be done, enforcing needed consistency in how particular strategy-critical activities are performed in geographically scattered operating units and lastly they work to promote the creation of a work climate that facilitates good strategy execution (Thompson & Strickland 2005). David (1997) argues that policies are specific guidelines, methods, procedures, rules, and administrative practices established to support or encourage work towards attainment of stated goals. According to Pearce and Robinson (2002) policies are broad, precedent-setting decisions that guide or substitute for repetitive managerial decision making and therefore are directives designed at guiding the thinking decisions and actions of managers and their subordinates in implementing a firms strategy. Policies therefore serve to increase managerial effectiveness by standardizing many routine decisions and to limit the discretion of managers and subordinates in implementing strategies.

2.3.4 Adopting best practices and pushing for continuous improvement

Managers should push organizational units and personnel to identify and adopt the best practises for performing value chain activities and, further insisting on continuous improvement in how internal operations are conducted. To do this, companies can benchmark activities and business processes against either the industry's best or the world's best performers. In so doing, the companies provide useful yardsticks for judging the effectiveness and efficiency of internal operations and setting performance standards for the organisation to meet or beat. A common tool for promoting operational excellence is total quality management (TQM) which is based on the philosophy of managing a set of business practises that emphasises continuous improvement in all phases of operation, 100 percent accuracy in performing tasks, involvement and empowerment of employees at all levels, team-based work design, benchmarking and total customer satisfaction (Thompson & Strickland 2005).

2.3.5 Installing information and operating systems that enable strategy execution

Company strategies can't be executed well without a number of internal systems for business operations. Well conceived state-of-the-art operating systems not only enable better strategy execution but also strengthen organizational capabilities. Companies that rely on empowered customer service employees need to ensure data is available through an efficient information system. At the same time real-time information systems permit company managers to stay on

top of implementation initiatives and daily operations and to intervene when things seem to be drifting off course (Thompson & Strickland 2005).

2.3.6 Tying rewards directly to the achievement of strategy and targets

It is important for both the organizational units and individuals to be enthusiastically committed to executing strategy and achieving performance targets. One of management's biggest strategy-executing challenges is to employ motivational techniques that build wholehearted commitment to operating excellence and winning attitudes among employees. A properly designed rewards structure is management's most powerful tool for mobilizing organizational commitment to successful strategy execution (Thompson & Strickland 2005). David (1999) recognizes the process of empowering managers and employees through involvement in strategic management activities yields the greatest benefits when organizational members understand clearly how they will benefit personally if the organization does well. Managers ought to develop performance incentives that clearly link performance and pay to strategies.

2.3.7 Building a corporate culture that promotes good strategy execution

The character of a company's culture or work climate is a product of the core values and business principles that executives espouse, the standards of which is ethically acceptable and what is not, the behaviours that define how things are done, and how to illustrate and reinforce values and traditions, the company's approach to people management and its internal politics. When a company's present work climate promotes attitudes and behaviours that are well suited to first-rate strategy execution, its culture functions as a valuable ally in the strategy execution process, otherwise, it becomes a stumbling block. It is therefore the strategy implementer's responsibility to identify what facets of corporate culture hinder effective execution of strategy and this is what defines competent leadership at the top (Thompson & Strickland 2005).

2.3.8 Exercising strong leadership

Leadership challenges are significant and diverse. Leading the execution process has to be top-down and driven by mandates to get things done and attain good results. This starts with the understanding requirements for a good strategy execution followed by a diagnosis of the organization's capabilities and preparedness to execute the necessary strategic initiatives and then decisions as to the strategic choice. This demand of management to stay on top of how

things are going, closely monitoring progress, ironing out issues and learning what obstacles lay in path of good strategy execution. The management also needs to put constructive pressure on the organization to achieve good results, keep the organization focused on operating excellence, leading the development of stronger core competencies and competitive capabilities. Lastly the leadership has to display ethical integrity and lead social responsibility initiatives and overall push for corrective actions to improve strategy execution and achieve the targeted results (Thompson & Strickland 2005).

2.4 Challenges of strategy implementation

In several studies done in Kenya on challenges of strategy implementation there appears to be some uniformity in the kind of challenges faced by most organizations. Gichohi (2007) found that resource allocation was a major challenge and participation came in last but it is interesting to note that there was participation in strategy formulation which proved to be expensive due to costs of workshops and most workers in the lower cadre would feel intimidated. Moeva (2007) found challenges in the form of Institutionalization of strategy. His findings on awareness and ownership of strategy indicated frontline staff were not aware of the strategy and did not feel like they owned the strategy. There was lack of good resource mobilization Lack of conducive culture and leadership. Lastly in his study he found that in the highest ranking challenge was inadequate motivation of workers.

Observations by Koske (2003) were; poor management of resources, poor leadership, lack of financial resources, limited IT capacity, lack of involvement and government regulations. Corporate culture did not support the strategy implementation despite the strategy being documented in all tools necessary for successful implementation. Lack of alignment of functional strategy with corporate strategy was also identified. There was lack of congruence and coordination.

Ateng (2007) found out that in the ministry of finance, main challenges were organizational culture, staffing levels were low and inadequate balance between technical and non technical staff. There was no scheme of service in some departments thus limiting upward mobility, there was lack of clear communication policy, both vertically and horizontally, there was positive attitude towards work in the middle and lower levels, however they do not specifically know the existence of a strategic plan because the plans had been centralized into work plans which led to routine. On resources, it was found that they lacked resources since they had to rely on budgetary allocations. There was disparity in pay and remuneration especially for officers seconded to the ministry from outside who were better rewarded.

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2.4.1 Linking formulation of strategy to implementation

Johnson and Scholes (2008) argues that how managers conceive strategies is not the same way that those in lower levels of the organization view the same strategy. Therefore there needs to be ways of relating the strategic direction to the everyday realities of everyone in the organization. Thompson and Strickland (2005), argue that a winning strategy must fit the enterprise's external and internal situation, build sustainable competitive advantage and improve company performance. They further write that what distinguishes a winning strategy from the rest is that first the strategy has to be well matched to industry and competitive conditions, a company's best market opportunities and other aspects of the company's external environment. Secondly, the strategy must be durable and big so as to be more powerful and appealing. Thirdly, the strategy must boost the performance of the company through gains in profitability, financial strength, and market standing. However it is noted that changing circumstances and ongoing management efforts to improve the strategy cause a company's strategy to evolve over time. A company's strategy therefore will be shaped partly by the management's analysis and choice and partly by the necessity of adapting and learning by doing.

2.4.2 Resource allocation

Thompson and Strickland (2005) say that organizations have at least four types of resources that can be used to achieve desired objectives. These are financial resources, physical resources, human resources and technological resources. Strategic management allows resources to be allocated according to the long term objectives to be achieved. However this may be inhibited by several factors like overprotection of resources, too much emphasis on short-term financial plans, organizational politics, vague strategies, reluctance to take risks, and lack of sufficient knowledge (David 1997).

2.4.3 Matching structure with strategy

Pearce and Robinson (2002) and David (1997) argue that there is no optimal design for an organization neither is there a uniformly acceptable culture for a given strategy or organization. Pearce and Robinson further states that changes in strategy often require changes in the way an organization is structured. David further argues that symptoms of an ineffective structure are too many levels of management, too many meetings attended by a large number of people, too much attention at solving interdepartmental conflicts, too large

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span of control. In a related study, Gichohi (2007), structure was identified as having been a challenge towards strategy implementation in AAR group of companies. Structure was not supportive of implementation. It was tall and bureaucratic thus inhibited coordination of operational activities, responsibility and accountability.

2.4.4 Linking performance and pay to strategies

David (1997) states that control of pay systems prevents line managers from using financial compensation as a strategic tool. Johnson and Scholes (2008) on the other hand argues that incentives such as salary raises, stock options, fringe benefits, promotions, praise, criticism, fear, increased job autonomy, and awards can work to encourage managers and employees to push harder for successful strategy implementation. Gichohi (2007), Reward and motivation was a big challenge so AAR group had to build a performance measurement that tied rewards on performance since it had not been done before. This meant reliance on external consultants which was expensive.

2.4.5 Culture

If the existing culture is found to be antagonistic to a proposed strategy then it should be identified and changed. People can be captured by their collective experience rooted in the past success and organizational and institutional norms to the detriment of a new strategy (Johnson & Scholes 2008). Thompson and Strickland (2005) argues that a company's present culture and work climate may or may not be compatible with what is needed for effective implementation and execution of a chosen strategy. Culture therefore acts as a valuable ally in the execution process. They further argue that a tight culture-strategy alignment furthers a company's strategy execution effort in two ways, firstly a culture that encourages actions supportive of good strategy execution not only provides company personnel with clear guidance regarding what behaviours and results that constitute good performance but also produces significant peer pressure from workers to conform to cultural acceptance norms. Secondly, a culture embedded with values and behaviours that facilitate strategy execution promotes strong employee identification with and commitment to company's vision, performance targets and strategy. Gichohi (2007), in his study found that culture challenge was because the staff were originally not results oriented, complacency prevailed in the organization.

2.4.6 Leadership

Thompson and Strickland (2005) write that leading the drive for good strategy execution and operating excellence calls for several actions on the part of the manager-in-charge. He has to be on top of what is happening, closely monitor progress, ferreting out issues and learning what obstacles lay in the path of good execution. The manager has to put constructive pressure on the organization to achieve good results. He needs to keep the organization focused on operating excellence. He needs to lead the development of strong core competencies and competitive capabilities. He needs also to display ethical integrity and lead social responsibility initiatives. Lastly he has to push corrective actions to improve strategy execution and achieve the targeted results. Gichohi (2007), found that serious leadership challenge during the initial stages of strategy implementation. Some top managers were not compatible with the new ways of doing things and the direction and things were asked to leave voluntarily or were asked to leave.

2.4.7 Policies

The role of policies is to promulgate standard operating procedures that will facilitate strategy implementation and counteract any tendencies for parts of the organization to resist or reject the chosen strategy. Policy acts as a lever for institutionalizing strategy supportive practices and operating procedures on an organization. It also acts to limit on the independent action and sets boundaries on the kinds and directions of action to be taken. Policy acts to align actions and behavior with strategy throughout the organization hence minimizing conflicting practices. Policies help to shape the character of the internal work climate and to translate corporate philosophy into how things are done, how people are treated and what the corporate beliefs and attitudes mean in terms of everyday activities. Policy operationalizes the corporate philosophy thus playing a key role in establishing a fit between corporate culture and strategy. From a strategy implementation perspective managers need to be inventive in establishing policies that can provide vital support to an organization's strategic plan (Thompson & Strickland 1989). Gichohi (2007), identified AAR's challenge as putting together policy and procedures and documenting this and grinding them into the way of doing business. Also compliance with operational plans was originally difficult because of using plans designed by operational managers who did not have prior training

2.4.8 Resistance to change

Johnson and Scholes (2008), writes that designing a structure and putting in place appropriate resources do not themselves ensure that people will make strategy happen. The major problem that managers report in managing change is the tendency towards inertia or resistance to change. Important issues that need to be considered in diagnosing the situation that an organization faces when embarking on strategic change are in terms of the types of change required including the reason for the desired change, the basic strategic purpose, and more specifically the strategy choices intended in terms of strategy direction and methods. Managers also need to address the issue of the variety of context and cultural factors that need to be taken into account and lastly the forces blocking or facilitating change. These calls for managers to consider how to balance different approaches according to the circumstances they face. They also need to understand their role in managing strategic change in terms of their style of management and the roles played by strategic leaders and other change agents.

Change raises anxieties because people fear economic loss, inconvenience, uncertainty and a break in normal social patterns. Any change in structure, technology, people or strategies has the potential to disrupt comfortable interaction patterns hence people resist change. Resistance to change is considered the single greatest threat to successful strategy implementation, people often resist strategy implementation because they don't understand what is happening or why changes are taking place thus employees need accurate information. Resistance to change can emerge at any stage or level of strategy implementation processes. There are various approaches for implementing changes; a force change strategy, the educative change strategy and rational or self interest change strategy (David 1999).

CHAPTER THREE
RESEARCH METHODOLOGY

This section outlines the approach that was adopted towards gathering data that was used to generate solutions to the objectives that the research sought to investigate. It contains the outline on the profile and the scope of the study as well as the method that was used to collect the data and also how the data collected was analyzed so as to come up with findings, interpretations and conclusions of this study

3.1 Research design

The study was conducted through a case study design. It allowed for an in-depth study of the subject of challenges in strategy implementation. Case studies place more emphasis on a full contextual analysis of fewer events or conditions. This provides for valuable insight for problem solving, evaluation and strategy. It also provides for the benefit of being able to observe and record non verbal as well as verbal behavior (Cooper & Schindler, 2003).

3.2 Data collection

The study used both primary data and secondary data. Primary data was collected through use of individual interviews facilitated by an interview guide with structured open ended questions. Structured interviews permit more direct comparability of responses and also the interviewer's neutrality is maintained (Cooper & Schindler, 2003). Secondary data was obtained from mainly the organization's strategic plan.

The target group was all officers working for the KCAA who hold the position of Director General, Director, or Manager. This was expected to bring the total number of interviewees to sixteen (16). The reason for this is that they are the once in charge of either sections or in out stations they are the heads of those stations. This puts them in a position where they can influence decision making at station level or section level and also because they are the once at the forefront in the implementation process. The full list of these officers was obtained from the KCAA human resource department.

During the interview it was realized that there were members of staff who held positions below the level of manager but play a key role in strategy implementation. These officers are mainly heads of stations outside Nairobi, and from Planning office.

Due to unavailability of some officers to take the interview and also due to the wide geographic area that was to be covered as a result of some stations being located in far areas,

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online interview was also adopted where the structured questions were mailed to the interviewees and the response obtained via email. In total 13 officers were interviewed from various departments and level in the management hierarchy.

3.3 Data analysis

According to Cooper and Schindler (2003), where research is concerned with finding out who, what, where, when or how much, the study is descriptive and therefore the data obtained is descriptive. Data from this study was largely qualitative and therefore content analysis was used. This allowed for meaning to be extracted from information collected and relate it to the different issues on challenges of strategy implementation therefore ensuring the required analytical understanding of the data. The data obtained from various management team members was compared against each other in order to get more revelation on strategic management issues as well as relevant references to the KCAA strategic plan of 2005/2010.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

ata was obtained from a total of 13 officers who work within the KCAA. These officers
ere selected on the bases of their position and contribution towards strategy
mplementation. The staff cut across all aspects within KCAA in terms of level in
management hierarchy- from director to chief officers, and also across functional structures
ithin KCAA because of their varied nature of responsibilities, they have a thorough
nowledge of the organization, its activities and challenges. It was also possible through
nline means to obtain response to questions from officers located in stations far away from
airobi and this ensured a wide coverage of KCAA's network in terms of functional, level in
e management hierarchy as well as geographical diversity.

1 Strategy formulation and implementation at the Kenya Civil Aviation Authority

enya is a member state of the International Civil Aviation Organization (ICAO) which is a
nited Nations specialized agency established in 1944 to oversee safe and orderly
evelopment of civil aviation world-wide. In order to achieve this goal, ICAO has developed
tandards and Recommended Practices (SARPs), which all contracting states, Kenya
cluded are required to comply with. The ICAO Standards cover all facets of Civil Aviation
ctivities.

he Kenya Government through its Integrated National Transport Policy (2004) sought to
eview matters related to aviation infrastructure planning, development and management of
r navigation services; legal, institutional and regulatory frameworks; air commerce; aviation
fety and security; aviation port health, aviation financing and related matters amongst
thers. In this regard, the paper aims is to create an enabling framework that will nurture the
evelopment of a safe, efficient and affordable transport system, whilst keeping at the leading
dge of technical development and technological advancement in a rapidly changing and
lobalised environment. The policy document acknowledges that Kenya has a thriving and
iable aviation industry, which is vital for the country's development. The industry is a
acilitator for tourism and a source of foreign exchange through the provision of air transport
ervices to other countries, training of personnel from other countries and provision of
naintenance and servicing facilities for local and foreign aircraft. It further proposes that, to
naintain and enhance the vital role played by the aviation industry in the development of
enya, efforts should be made to eliminate constraints to its growth. Some of the main
onstraints to the growth of aviation have been identified as: deficiencies in development and

maintenance of aviation infrastructure; poor regulations and inadequate personnel training and training facilities. The policy therefore strives to strengthen the role of aviation in the economy in general by enhancing investment and standardization.

The Kenya Civil Aviation Authority was established for the planning, development, management, regulation and operation of a safe, economical and efficient civil aviation system in Kenya in accordance with the provisions of the Civil Aviation Act, Cap. 394. Due to the increasing role of the aviation industry and the changes taking place worldwide, KCAA is looking ahead to ensure that the Kenyan airspace is secure enough to meet the challenges of air transport in the future. In this regards, KCAA is implementing a 5 year Strategic Plan, a Master Plan for Kenya's airspace while at the same time ensuring that aviation safety and security are maintained.

To effectively achieve its mandate, KCAA undertook to develop a five-year (2005-2010) Strategic Plan. KCAA's overall strategy as reflected in the plan is based on its commitment to provide a safe and efficient civil aviation environment and achievement of Kenya's developmental objectives as articulated in the National Transport Policy. A strategic analysis was carried out and eight key strategic issues identified. This led to the development of objectives and strategies to address them. In the current strategic plan review (2009), the same strategic issues are retained as they are deemed to still be relevant. However the strategic objectives and strategies for each issue have been revised to reflect the current environment. The eight issues and objectives addressed by this strategy document are:

Safety, Security, Air Transport and Environment whose objectives include; To develop and sustain safety oversight capabilities in accordance with the Convention on International Civil Aviation, ICAO standards and recommended practices, To develop and sustain aviation security oversight in accordance with the Convention on International Civil Aviation, ICAO Standards and recommended practices and the national security requirements, To develop and sustain oversight capability on environmental protection in accordance with the Convention on International Civil Aviation, ICAO Standards and recommended practices and the national environmental protection requirements, To develop and sustain an effective Air Transport Regulatory regime and facilitate a channel of communication between consumers and the service providers.

Second issue is Air Navigation Services with listed objective being; to achieve operational and technical reliability, availability and integrity of ANS systems to enhance safety and efficient operation of flights.

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Third is Human Resources with the main objective being to acquire, develop and maintain a highly motivated and globally competitive human capital base. Next issue is institutional strengthening having the objective to strengthen KCAA's institutional Capacity. Fifth issue is Legislative Reforms and objective here is to have in place a more effective and efficient legal framework to facilitate fulfillment of the KCAA mandate. Next issue is Revenue Base whose objective is to widen the revenue base, optimize revenue collection and manage costs to support and sustain the KCAA mandate. Seventh issue is the transformation of East African School of Aviation (EASA) with the aim of transforming the school into an international centre of excellence in aviation training, based on competitiveness, sustainability and entrepreneurial culture. Lastly is Regional Cooperation whose main objective is to contribute to the strengthening of the co-operation of the partner states in the region in improving aviation systems.

In formulating the above action plans, KCAA contends that it is currently facing severe challenges, which require formulation of clear strategies to address them. These are; the Authority is unable to attract and retain qualified and skilled personnel hence it is not able to effectively provide the required oversight functions. This is exacerbated by the high turnover of staff, which makes it difficult to sustain improved performance. The existing legal framework in some areas is outdated and out of tune with the current developments in the Aviation industry and hence requires to be reviewed. The revenue currently generated by the Authority is not sufficient to finance its investment and operational requirements. The threat of terrorism to Aviation both at the global and local level has not only depressed the aviation industry, but it has also imposed additional costs to Civil Aviation Authorities. Lastly the membership of Kenya in regional trading blocs like EAC and COMESA, requires that the Authority facilitate implementation of particular agreements, which the country has committed itself to which often is, at an increased cost to the KCAA.

4.1.1 Structure

From all those who were interviewed it was noted that the structure at KCAA is currently under review. A consultant had been engaged to look at the best structure and his findings were still yet to be implemented. The existing structure is largely based on the functional areas on which KCAA is mandated. As a result a structure that would ensure a match with strategy is not in place. It was observed also that since the transition from the main stream government stake holders demanded some functional areas be identified and strengthened.

Therefore there have been attempts at creating a structure to bridge the gap before a comprehensive structure is incorporated.

It was noted that the technical divisions are well defined and each has a clear hierarchy. However this has resulted in an elaborate structure where each department forms its own division thus creating many functional areas. It was noted that this makes decision making somewhat appear to be based on the individual needs of a department and are made at department level without sufficient consultation from other departments. This was especially the case between the technical departments and corporate departments where it was observed that proper coordination is lacking. However it was noted that at times the chain of command is not clear and some people do not know who to report to or they report to more than one person. There was no proper mechanism that would ensure sufficient scrutiny and control of departmental budgets.

4.1.2 Communication

It was observed that there were sufficient mechanisms laid down to ensure communication both vertically and horizontally. This is through encouraging staff to make use of the installed ICT infrastructure as well as through scheduled and non-scheduled meetings. There was also use of an in house magazine to communicate developments within the industry and the organization itself. It was also observed that some offices have an open door policy and information is shared freely. However when it comes to content then communication was less focused on strategy implementation. Staff below the level of chief officers were not well informed about the KCAA's strategic plans. Officers from chief and above are well informed about strategy implementation. This is done through scheduled and non-scheduled meetings. Majority of those interviewed therefore felt that communication pertaining to strategy implementation is not adequate and the structure itself is an obstacle towards effective communication. Despite all this it was observed that there exists a communications department which ensures proper channels are opened both internally and externally. Some interviewees felt that it was the responsibility of the planning division to coordinate the activities geared towards strategy implementation. It was observed that at times it this leads to fire fighting and is worsened by a tendency to believe in functional autonomy. Communication therefore was observed to be through a forced system and not by intent or through deliberate moves geared towards strategy implementation.

4.1.3 Coordination

It was largely observed by the majority that there was lack of sufficient coordination of departmental activities within KCAA. They pointed out that there was lack of team work and as a result some departments are not open to critique by others. During formulation, it was observed, there was sufficient consultation but the implementation lacks the synergy required for success. Most interviewees also noted that coordination was worsened by the existing structure. A unique element that adversely affected effective coordination was the result of high turnover of staff at the management level. This leads to activities being thrown off balance every time there is a change of guard. It is also not synchronized properly leading to budgets not having adequate provisions and therefore projects end up with negative or positive estimates. There is a technicality issue between the regulator and a service provider being in the same authority. This directly affects coordination as one section feels it should not be a part of the other but they are all in one organization. This somehow hinders realization of full compliance with SARP's.

4.1.4 Awareness

All those interviewed pointed out that there was lack of awareness about strategic management process by all staff below the level of chief. It was observed that even for officers above, there were some who had not fully embraced the strategy as a positive way of changing the way things run at KCAA. However most of those interviewed said that staff from chief and above had been taken through the training relevant for effective implementation.

As a result of the above it was intimated that some projects are not always adequately communicated to all and this leads to ineffective implementation. Also as a result of lack of full awareness there was an element of lack of prioritizing the strategy implementation. There is also lack of deliberate move by officers to actualize the action plans as spelt out it the strategic plans. There is also lack of proper understanding of the roles to be played by officers in the implementation process therefore most officers cannot articulate clearly what is required of them outside the ordinary job description.

It was observed that the result of such attitude towards strategy implementation could be as a result of safety nets that have been provided by the technical requirements of the job. Many feel that the current situation is safe and therefore have no need to rock the boat by implementing what is required in the strategic plans. Furthermore they are not under any

threat and therefore no need for initiative or being proactive in achieving goals as set forth in the strategic plans.

4.1.4 Staffing

All those interviewed agreed that there was need to hire new staff as well as retain some of the old ones. Reasons advanced as to the need for new staff was that there was need for skilled workforce if the objectives as laid out in the strategic plans were to be realized. Therefore there was the need to bridge the gap of both expert skill and knowledge required to implement strategies. There was also the realization that there was no enough time to build capacity from within and hence the need to hire from outside. There also was identified a need to bring change as the authority was in transition from the mainstream government into a state corporation and hence the need to blend old staff with new so as to try and change the existing culture. Also the stakeholders had required that for efficiency, there needed to be fully functional departments to handle specialized or professional services and hence the need to hire people who possessed the knowledge and skills to hold such positions. The reason advanced towards retention of old staff was that, this being a technical related organization, there were skills that could not be just acquired from outside and that there were officers who possessed significant level of experience in the field and therefore understood the organizational operations better and hence needed to be retained so as to ensure continuity.

During the staff hiring process it was noted that some staff targeted some strategic positions even without the requisite skills. The positions were therefore filled haphazardly without proper evaluation and this in the long run was adversely affecting the organization due to internal politics and the slowdown in the culture change.

Majority of the responses was that though training level had improved it was having no impact on effective strategy implementation. Reason advanced for this was that the selection for training was not transparent and that it lacked focus towards effective strategy implementation. There was no adequate training policy and lack of consultative strategy towards training and there was a shift from long term training needs towards short term needs. There is need for relevant training and allocation of more funds to invoke the desire for further training among all. It was informed to the researcher that training of strategy implementation would also aid in eradicating the negative perception held about strategy implementation as everyone would be aware of the benefits that would accrue from it.

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4.1.5 Tying rewards and motivation towards strategy implementation.

It was discovered from all who were interviewed that they believed that rewards act as a motivator of strategy implementation. However there was a negative perception that seemed to tie rewards and motivation towards monetary aspect as a means of compensating for success. There exists no reward policy for success and also no record of success stories. It was also observed in some department that reward had previously been used as a motivator when it came to selection for further training. In general, at KCAA motivation is sought in terms of money and no clear link of benefits that would arise from successful implementation but there needs to be established a way of motivating through awards, recognition of performance, commendations. These can be measured through availability and quality of service and also should be adequately provided for in the strategic plan.

4.1.6 Leadership

Majority of those interviewed said that leadership has not adequately pursued implementation of strategy. Reasons advanced for this were that there has been a high level of turnover of managers and also some uncertainty of tenure of the previous CEO's, this at some point has led into lack of interest from the leaders towards successful realization of strategic plans. There also lacks proper leadership skills because technical people rose up and got to management level without having requisite management skills and hence their thinking is narrowed down to technical needs rather than managerial needs. Leaders do not actively monitor implementation, but what is implemented has happened as a result of need for certain activities to take place but not by hands on drive by the leadership.

4.1.7 Culture

A small minority of those interviewed observed that there is an entrenched culture of air safety and aviation practices and desire for efficient service delivery and also that there is team work, however this is affected by politics of new and old staff. Majority said there is a negative attitude towards regard to protect resources. Staff feel no need to maximize the value of what one delivers to the organization, they don't see the need to put an extra effort, there is still an element of the culture of the civil service mentality. This was illustrated by a combative culture both cross-departmental and interdepartmental, Culture of safety net, ie people feel that there is no challenge because their jobs aren't threatened and in the long run don't feel need to take responsibility for implementation. Culture is also varied with locations

with Nairobi and their Mombasa counterparts exhibiting difference in energy and drive towards work and responsibility.

There is the feeling of inadequacy which adversely affects initiative. Some are busy with other duties not necessarily linked to implementation. There lacks adequate coexistence, and by extension therefore no team work. Most staff also don't articulate well with core values of KCAA. It was noted that it would not be easy to change the culture because there are legal implications hence it is not possible to take drastic culture change initiatives based on staff rationalization programs

4.1.8 Policies and Procedures

Policies are heavily borrowed from the government. Though there is improvement, the policies need to be reviewed and internalized to suit KCAA. The existing ones just help bridge the gap. Procedures are ancient and cannot allow the authority to attract and retain qualified staff since they authority has always to refer to the government seeking approval before making compensation agreements. Existing policies do not encourage motivation and efficiency. Procedures mainly resulted from the need to enact laws to facilitate enforcement of annexes to the Chicago convention. There is also a hindrance from the government due to red tape thus making some strategy implementation inefficient. It was further observed that there are always pending issues to be resolve that await new policies and procedures. There is the belief that what is there has always worked and hence no hurry to change policies. Attitude has changed as a result of punitive policies being enforced but not due to embracing positive policies for the good of the authority.

4.1.9 Resources

All those interviewed pointed out that there was no sufficient allocation of resources. Where resources were to come from was not taken into consideration in the planning and hence making of annual plans at times is limited by level of revenue generation. Lack of resources appeared to be a fundamental reason behind delayed implementation of strategic plans especially where the strategy relates directly to the nature and level of staff in terms of training, attracting and retaining and also rewarding and motivating them.

CHAPTER FIVE
SUMMARY, DISCUSSIONS AND CONCLUSIONS

This chapter discusses the general perspective of strategy implementation and in detail discusses the challenges that have been faced by KCAA in strategy implementation. Formulation was done well, however implementation is not being done well. There is a disconnect between how the formulation process was conducted and the drive towards implementation. There is internal politics and interference because of the old and the new staff as they ponder between the core and non-core activities. Each organization has reasons on which it justifies its existence. KCAA needs to identify, on its service delivery, which activities form the primary activities and which support the primary activities. Only then can the authority be able to embark on investing and developing those activities within which they will create more value to the core activities.

There was no committee that was set aside to oversee implementation. The authority relies on the entire management team to oversee implementation and also there is the tendency to feel that stakeholders have no option because of monopolistic tendencies of the regulator. There is need to create different chapters for every functional area and then consolidate them so that you can obtain a corporate outlook on the strategy. There is need to break down the strategies into phases to be able to depict variance when faced by various scenarios. They should also attempt to create goodwill from all quarters and there is need for a corporate culture. The assumption that there needed steady leadership was overlooked. Awareness is lacking and there is need to educate and create ownership of the plans

However, on the positive side the performance has generally improved where it is noted that revenue has gone up, training is going up and communication is improving though not through formalized channels. The changes have also impacted positively to the entire industry. It is evident that the Officers are still learning about formulation because it is still a concept new to them and still to be embraced fully. Regional Corporation is being addresses in earnest. Transformation of EASA into a regional centre for training is on course. There have also been deliberate measures that are assisting in cost cutting and policy formulation. There is marked improvement in availability and reliability of facilities and enhanced safety thereby improving the general quality of services.

5.1 Challenges of strategy implementation

5.1.1 Institutionalization

The reasoning behind formulation was that there was need for documented plans, it was government driven, there was need to have in place technical plans, need for corporate direction guidance and the demand from the external environment to be proactive by stakeholders who demanded a paradigm shift in the operations of the authority. All this show that the formulation process was not entirely as a result of proper vision for KCAA but rather an imposed process. This resulted in to the authority not purposing on creating capability to implement her strategic plans. There is a tendency to feel that the heads of departments view their departments as the most crucial and therefore tend to disregard the input from others and even may tend to look them down in meetings. Fire fighting, affects action plans of other departments when things are not well coordinated

The existing structure is largely based on the functional areas on which KCAA is mandated. As a result a structure that would ensure a match with strategy is not in place. Structure was not incorporated in the strategic plan. The existing one is being reviewed as par recommendations of a consultant. This somehow hinders realization of full compliance with SARP's. This is made worse by the fact that it was observed that some people do not know who to report to or report to more than one person. Decisions are not consultative; they are just one way either vertically or horizontally. This has greatly hampered effective co-ordination, also there is a technicality issue between the regulator and a service provider being in the same authority. This directly affects coordination as one section feels it should not be a part of the other but they are all in one organization. There is urgent need for structuring the organization and work effort by organizing value chain activities and business processes and deciding how much decision-making authority to push down to lower level managers and front line employees. Such aspects should include deciding which value chain activities to perform internally and which to outsource, making strategy-critical activities the main building block of KCAA structure, determining the degree of authority and independence to give to each unit and each employee, providing for internal cross-unit coordination, and lastly providing for collaboration with outside suppliers and strategic allies

Leadership has not pursued implementation adequately. In addition, there has been a high turnover of staff at top level which has not helped. This causes uncertainty in leadership and hence loss of interest in the implementation. The management has not shown full

commitment to successful strategy implementation. There have been no success stories which people can reflect on and leadership has done little in attempting to build more awareness and encourage staff to be proactive and read more on the content of the strategic plan. It is also observed that there is no proper leadership skills because technical people rise up and get to management level without having management skills and hence their thinking is narrowed down to technical needs rather than managerial needs. The existing implementation has been by default and not by initiative of leadership, and lastly there is no close monitoring by managers. For success in strategy implementation, KCAA leadership has to be on top of what is happening, closely monitor progress, ferreting out issues and learning what obstacles lay in the path of good execution. The leaders need to put constructive pressure on the organization to achieve good results. They need to keep the organization focused on operating excellence, to lead the development of strong core competencies and competitive capabilities.

Culture is varied with locations as is shown by Nairobi and their Mombasa counterparts exhibiting difference in energy and drive towards work and responsibility. There is a negative attitude towards regard to protect resources. Employees do not feel the need to maximize the value of what one delivers to the organization; they don't see the need to put an extra effort. Further there is the feeling of inadequacy among staff which adversely affects initiative. Another challenge is the combative culture both cross-departmental and interdepartmental. There is also culture of resigning to a safety net, ie people feel that there is no challenge because their jobs aren't threatened therefore don't feel need to take responsibility for implementation. KCAA has not embarked on establishing a corporate identity and hence the staff do not have an identity to associate with and therefore they view themselves as workers for an aviation firm just like any other hence they have no sense of belonging or pride in associating with KCAA. A culture embedded with values and behaviours that facilitate strategy execution promotes strong employee identification with and commitment to company's vision, performance targets and strategy. That is what KCAA should strive to achieve among its employees across all levels and departments.

5.1.2 Operationalization

High turnover of managers leads to some departments changing or shifting positions and directions during implementation since everyone comes with different idea or has to be informed from scratch what is happening and why and as a result of this there is uncertainty

during implementation. Even though the rate of training has increased, there needs to be more transparency which can be achieved through inadequate policies. There is also the challenge of lack of focused strategy and thus training relevant to strategy implementation has not always been the case. There is no provision for training people about strategy implementation. This is also accentuated by lack of enough staff and resources. In terms of strategy awareness, most staff have no clue of what is to be implemented except in situations of "forced communication". This situation is exhibited both vertically and horizontally. Awareness is lacking and there is need to educate and create ownership of the plans also, officers are still learning about formulation because it is still a concept new to them and still to be embraced fully. Sectional heads were required to participate though not all are actively involved in the implementation. Therefore there are gaps in the involvement of staff both horizontally and vertically

It was discovered from all who were interviewed that they believed that rewards act as a motivator of strategy implementation. However there was a negative perception that seemed to tie rewards and motivation towards monitory aspect as a means of compensating for success. There exists no reward policy for success and also no record of success stories. It was also observed in some department that reward had previously been used as a motivator when it came to selection for further training. In general, at KCAA motivation is sought in terms of money and no clear link of benefits that would arise from successful implementation but there needs to be established a way of motivating through awards, recognition of performance, commendations. These can be measured through availability and quality of service and also should be adequately provided for in the strategic plan. There needs to be a direct link of the benefits that arise out of successful implementation of strategies and attainment of set targets or performance indicators of success.

There has not been sufficient allocation of resources to effectively implement the strategic plans. Where resources were to come from was not taken into consideration in the planning and hence making of annual plans at times is limited by level of revenue generation.

Policies are heavily borrowed from the government. Though there is improvement the policies need to be reviewed and internalized to suit KCAA. The existing ones just help bridge the gap. This also is reflected by the hindrance from the government due to red tape thus making some strategy implementation inefficient. The existing policies do not encourage

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motivation and efficiency. There are always pending issues to be resolved that await new policies and procedures. There is also the belief that what is there has always worked and hence no hurry to change policies. Attitude has changed as a result of punitive policies being enforced but not due to embracing positive policies for the good of the authority. Policy operationalizes the corporate philosophy thus playing a key role in establishing a fit between corporate culture and strategy. From a strategy implementation perspective managers need to be inventive in establishing policies that can provide vital support to an organization's strategic plan. In this regard, KCAA needs to come up with refined policies and procedures and internalize them to suit its unique settings and aim at establishing policies that would not only put it at the level of compliance with requirements by national and international agencies but also surpass these benchmarks if it is to realize the vision of being a model of excellence in global civil aviation standards and practices.

5.2 Policy and practice Implications

KCAA is mandated to offer service and regulate a vibrant sector of Kenya's economy. Its policies and practices need to be carefully analyzed adopted and implemented for they bear serious impact during the present times and the future.

In any organization, some activities in the value chain are always more critical to strategy success than others. KCAA must identify the primary value activities that have to be performed exceedingly well or in a closely coordinated fashion to enhance the organization's capabilities on achieving its objectives. The structure needs to be remodeled to match the grand objectives of the organization and not the tactical plans as formulated at department level. This will ensure that cross departmental coordination is improved and the critical activities are performed with improved effectiveness. It will lead to fewer barriers between different ranks, functions and disciplines and in the long run improve collaborative efforts. It will also improve the capacity for change and learning.

The authority should develop further its ability to marshal resources needed to support its strategies. Internal cash flows seem insufficient to fund planned strategic initiatives and therefore management needs to practice use of external funds. This will in turn open up the organization to more rigorous financial performance scrutiny and this will in turn instill responsible and accountable financial management practices.

KCAA needs to develop initiative to device policies and practices that will provide vital support to effective strategy implementation. The authority thrives in an industry whose

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dynamics evolve every day and technology changes faster than the stakeholders can match. To remain relevant in its practices, it should focus more on the learning process from its internal practices, learn to benchmark from other similar organizations in the world so as to meet or beat their performance standards and also invest more on research and development.

It is important for both the organization and individuals to be enthusiastically committed to executing strategies and achieving set performance targets. To do this the organization needs to be innovative in designing and using both monetary and non-monetary incentives. This becomes the most powerful tool in winning strong employee commitment to diligent, competent strategy execution and operating excellence.

The character of a company's culture is a product of her core values and business principles that executives espouse, the standards of what is ethically acceptable and the behaviors that define policies and practices in an organization. Just like strategy, the culture of KCAA should evolve. The existing culture is in conflict with some aspects of the direction, performance targets and strategy in general and thus is a stumbling block and needs to evolve. The single most factor that can distinguish success in culture evolution efforts from a failed one is competent leadership. Leadership needs to be up front in mobilizing organizational energy behind the drive for good strategy execution and operating excellence. If leadership wants to drive the strategy execution process by instilling a results oriented work climate, then senior executives have to take the lead in promoting certain enabling cultural drivers whose basic requirements are a strong sense of involvement on the part of the organization personnel, emphasize on individual initiative, creativity, respect for individual and group contribution and pride in doing things right.

5.3 Limitations of the study

The greatest limitation to this study was the inability to secure enough time to conduct the interview and hence not enough time was spent on some because of their busy schedules and hence the reason that some responded online. This limited the depth to which the researcher would get to engage the interviewee.

Another limitation was that the interviewer was an officer within the same organization as those being interviewed. This had the potential of prejudice and therefore a neutral person would be best suited to conduct the interview.

Also it was not possible for the researcher to obtain a feedback from the organization's chief executive hence the office's position could not be verified. As observed in the findings, a good number of those interviewed expressed concern over the high turnover of those mandated with the implementation process and hence some interviewees had limited exposure as to the entire process and therefore could only report about challenges experienced during their tenure in office.

5.4 Recommendations for further study

The researcher observes that there were useful insights from this study but there is need for more study in various contexts as the following suggestions offer;

There is need for studies to be conducted but to involve more staff from lower levels to get their views towards strategic planning process in KCAA.

This was the first strategic plan being implemented and therefore after the next phase a replication of this study needs to be done to find out whether the same challenges would still prevail.

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1) Who was responsible for strategy formulation?

    BOD

    MANAGERS

    CONSULTANT

    ALL

    DON'T KNOW

2) What triggered the need for a strategic plan?

3) Were all stakeholders' adequately informed and involved in the process of formulation?

4) What is the level of staff involvement in the implementation process?

5) Were there any structural changes occasioned by the strategic plan? Which were they and why were they necessary.

6) Do you think the current structure is adequate? Explain further

7) Does the structure support communication for implementation?

8) What mechanisms have you put in place to ensure smooth flow of communication during implementation?

9) Do you think the current communication flow is adequate? Discuss further

10) What is the level of coordination between your department and others? How does this affect both your department's objectives and those of the organization?

11) Are there any services which you currently outsource to allow the department to concentrate on core implementation activities?

12) What is the general attitude of subordinates to the strategic plan? Do they have adequate information on their roles in the implementation?

13) Was it necessary to acquire new employees or retain the old ones? What key competencies were required from the employees?

14) How would you describe the rate at which staff training program has increased to enhance their ability to implement the strategic plan? What is the justification for such a rate?

15) Is reward and motivation a factor affecting the implementation? What aspects?

16) How has leadership impacted on strategy implementation?

17) Is culture an important factor to strategy implementation and what aspects of culture have impacted either negatively or positively towards strategy implementation?

18) Were there any changes to the policies or procedures during implementation? How are the current ones affecting implementation?

19) Are there any other changes taking place in the organization during strategy implementation? What are these changes?

20) What are the broad objectives of the strategic plan 2005/2010

21) What role does your department play in attaining these objectives

22) In an effort to implement these objectives, and to ensure that your department/organization performs its role effectively, what measures have your department put in place?

23) Do the tactical plans support the strategy? What aspects?

24) Has there been sufficient resources allocation towards strategy implementation?

25) What other measures has the authority taken to create capability within the organization to undertake successful strategy implementation?

26) How is the implementation of the strategic plan being monitored and evaluated? What challenges affects these mechanisms"

27) What measures have been put in place to address deviations that may be identified during implementation?

28) What is your general view on strategy formulation and implementation in KCAA?

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAM – LOWER KABETE CAMPUS

DATE...... 14\09\09 ....

TO WHOM IT MAY CONCERN

The bearer of this letter ...... GEORGE M MBUGUA ....

Registration No: ...... D61 | 9093 | 2006 ....

is a Master of Business Administration (MBA) student of the University of Nairobi.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate if you assist him/her by allowing him/her to collect data in your organization for the research.

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

Thank you.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
OFFICE

DR. W.N. IRAKI
CO-ORDINATOR, MBA PROGRAM
NAIROBI

KENYA CIVIL AVIATION AUTHORITY

KCAA/PERS/0749820292 (22)   28 September 2009

Mr. George Mbugua

Thro'

Manager
Air Navigation Services
JKIA

RE: APPROVAL TO COLLECT RESEARCH DATA
Your request for approval to seek research data from KCAA for partial fulfillment of
MBA degree in Strategic Management at the University of Nairobi dated September 2009
refers.

Authority is hereby granted to collect the data by engaging officers from KCAA
Management staff in face to face interview.

By a copy of this letter, officers in Management level are advised to accord you the
necessary assistance possible in relation to the data for this particular research.

Due to busy schedules, you are not allowed to interview the Director General.

You are required to drop a copy of the final data so collected and compiled to the
Training and Development office for record purposes.

B. S. K. Muli
For: DIRECTOR GENERAL

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