

**STRATEGY IMPLEMENTATION AT
CO-OPERATIVE INSURANCE COMPANY LIMITED, KENYA**

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FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF
THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION
(MBA), SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

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DECLARATION

This research project is my original work and has not been submitted for examination to any other university.

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

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DEDICATION

I dedicate this work to my loving uncle Joshua N. Njoroge for his inspiration, encouragement and support in the course of undertaking this study.

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I take this opportunity to thank God for taking me through this study and for giving me the strength to go through the whole programme. My gratitude goes to my dear parents for their overwhelming support and my friend Anthony Kangethe for his inspiration and understanding. I will not forget my dedicated Supervisor Prof Aosa for his guidance and support. Special mention to my colleague and friend Jonah Tomno who gave his time, resources as well as information when consulted. Not forgetting CIC management for their patience and assistance. This would not have been possible without your support.

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ABSTRACT

Strategy implementation is one of the components of strategic management and refers to a set of decisions and actions that result in the formulation and implementation of long term plans designed to achieve organizational objectives. The insurance industry in Kenya, just like the rest of the world, is going through profound changes. The objectives of the study were to determine Strategy Implementation at CIC Insurance Limited Kenya and to establish factors influencing Strategy implementation at CIC Insurance Limited Kenya. The study adopted a cases study research design and an interview guide was used to collect data. Data was analyzed using content analysis. From the study findings it was possible to conclude that some of the strategic management practices adopted by CIC insurance include the use of a top down approach in strategy implementation. It may be concluded that in some cases, CIC uses change agents and consultants to spearhead the strategy implementation. It is recommended that CIC management needs to adopt best practices in strategic management. This includes Management commitment, Use of change agents, Team appointment and involvement, Training for all levels, developing an implementation plan, establishing a documentation structure and establishing an internal auditing system. For strategy implementation to be successful, CIC and insurance institutions need to align their culture to strategy implementation. Specifically, CIC needs to address the resistance of employees by improving on communication and training them and rewarding them adequately. CIC should therefore ensure that the leadership style is transformational and not transactional. The CIC management needs to enhance staff motivation.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

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

Excellent implementation is the best test of managerial excellence; that results in the most reliable recipe for turning companies into stand - out performers. However, the success of these strategies is not only a function of how well they are formulated; it also depends on how well implementation is done. In fact, the most elegantly conceived, precisely articulated strategy is virtually worthless unless it is implemented successfully (Sabatier and Weible 2007).

Strategic management is gradually shifting from paying 90 per cent attention to strategy formulation and 10 per cent to strategy implementation, to paying equal attention to both (Grundy, 1998). Traditionally, it is believed that strategy implementation and execution is

less glamorous than strategy formulation, and that anyone can implement and execute a well-formulated strategy. Therefore, implementation and execution has attracted much less attention than strategy formulation or strategic planning (Alexander, 1991; Bigler, 2001). While strategy formation and implementation are tightly integrated functions, strategy implementation is the most complicated and time-consuming part of strategic management. It cuts across virtually all facets of managing and needs to be initiated from many points inside the organization. The implementation task involves coordination of a broad range of efforts aimed at transforming strategic intentions into actions.

Strategy implementation is central to the execution of the organization's strategy so there must be a linkage between the organization's strategic plan and initiatives and an understanding of all organizational challenges across the entity. The coordination of risk assessment and strategy development will assure that both internal and external stakeholders will consistently manage organizational challenges effectively and efficiently. An effective program of strategy formulation and implementation is an ongoing process of assessment, intervention and fallback planning (McGrew and Bilotta, 2000). In the global economy, businesses are faced with customers harder to generalize and thus managing variety and quantity with least cost ramifications is a challenge. Customer sensitivity is a trait which helps the companies to understand better about their customers and the markets which they serve. But there are no quick fix solutions to building customer sensitive **insurance** and therefore insurance strategists have found it to be one of the most challenging tasks.

The idea of introducing co-operative insurance in Kenya was first conceived early in 1968 by the Kenya National Federation of Co-operatives. After further consultations, it

became necessary to form an Insurance Agency which was started in 1972. This led to the registration of a Co-operative Insurance Society of Kenya on 18th November 1975, under the Co-operative Societies Act CAP 490. In 1978, the Society was incorporated and licensed as an insurance company under the Companies Act, thus changing its name to Co-operative Insurance Services Limited and began its business in December 1978.

1.1.1 Strategy Implementation

Strategy implementation is defined as "the process used to implement specific firm policies, programs, and action plans across the organization" (Harrington, 2004). A prudent organization needs to formulate a strategy that is appropriate for the organization, appropriate for the industry, and appropriate for the situation (Alexander, 1991). Effective strategy implementation and execution relies on maintaining a balance between preventing failures and promoting success. When there is a proper alignment of strategy, administrative mechanisms and organizational capabilities, it will be easier to implement and execute the strategy and to achieve the desired objectives (Okumus, 2003).

As put by Pearce and Robinson (2007), strategy formulation is concerned with determining where the organization is, where it wants to go and how to get there. It involves carrying out situation analysis that leads to setting of objectives. Vision and mission statements are crafted and overall corporate objectives, strategic business unit objectives and tactical objectives are also developed. Strategy implementation is the process of allocating resources to support an organization's chosen strategies. This process includes the various management activities that are necessary to put strategy in motion and institute strategic controls that monitor progress and ultimately achieve

organizational goals. Strategy evaluation includes review of external and internal factors that are bases for strategies formulated, measuring performance and taking corrective action, if necessary. This is important as all strategies are subject to future modification depending on environmental turbulence (Robbins and Coulter (1996).

Strategy formulation and implementation is an on-going, never-ending integrated process requiring continuous reassessment and reformation. Strategic management is dynamic and involves a complex pattern of actions and reactions. It is partially planned and partially unplanned. Strategy is planned, emergent, dynamic and interactive (Johnson, and Scholes (2002). Pearce and Robinson (2007) states that to effectively direct and control the use of the firm's resources, mechanisms such as organizational structure, information systems, leadership styles, assignment of key managers, budgeting, rewards and control systems are essential strategy implementation ingredients.

1.1.2 Insurance Industry in Kenya

The Insurance industry is governed by the Insurance Act and regulated by the Insurance Regulatory Authority. The players in the insurance industry are; Claims Settling Agents(2), Insurance Agents(3650), Brokers (152), Insurance Companies(44), Investigators(11), Surveyors(28), Loss Adjustors(19)Reinsurers(6) and Risk Managers(5). Of the (forty four) insurance companies, ten are long term insurers, two general insurers, and fourteen composite insurers (2009, IRA annual report).

There has been a lot of activity in the industry relating to the regulatory authority that is charged with regulation, supervision and development of the insurance industry in Kenya. In 2010, the Insurance industry recorded a gross premium of Kshs 75 billion

compared to Ksh 64.47 billion in 2009. The industry has continued to embrace information technology, research and innovation in order to increase the capacity (Association of Kenya Insurers report, 2009).

The coming to effect of the East African Common Market in July 2010 opened new opportunities for Kenya insurers in terms of expansion as well as exposure to the regional markets. However over the last two decades the industry has witnessed a number of insolvent insurers. This is especially in the public service motor underwriters. The insolvency has been precipitated by internal factors that include poor corporate governance, management weaknesses, malpractices, fraud and weak statutory management. The external factors include chaotic operation in the PSV transport sector, weak enforcement of traffic rules, a weak and corrupt judiciary, fraud and loopholes in the Civil Procedure Act, Cap 21.

1.1.3 CIC insurance company Limited

On 23rd May 1978, The Co-operative Insurance Company of Kenya was incorporated and licensed as an insurance company. The company has experienced a major transformation that has seen its positioning in the insurance industry improve from the bottom-five bracket to the top ten in less than 10 years. This has been majorly been as a result of implementing their strategic plan.

CIC has undergone major transformations since 1999 to emerge as a serious and reliable underwriter. From a little known insurance company with a premium income of only K-shs 178 million in 1998, it has grown to a relatively big and well-respected company with KShs 2.4 Billion in premium income in 2008. This rapid growth coupled with their

distinguished track record in claims settlement has propelled it to the top 10 out of 44 insurance companies in Kenya. Importantly, CIC is now the 3rd largest Life insurance company in Kenya and the market leader in Group life business where it has a cumulative market share of 28%.

Their Strategic Plan period 2009-2013 aims at consolidating the success and gains of the last five years by further improving the company's positioning among the big league insurers in Kenya and the region. By the end of 2013, they have project to have commanding market shares especially in Life business and Microfinance in which they are playing a pioneering role. They strongly believe that these targets are achievable with the current impetus of growth, given that we recently launched a number of new products and ventured into new market segments.

1.2 Research Problem

Strategy implementation or strategy execution is the most complicated and time consuming part of strategic management (Schaap, 2006). While strategy formulation is primarily an intellectual and creative act involving analysis and synthesis, implementation is a hands-on operation and action oriented human behavioral activity that calls for executive leadership and key managerial skills. In addition, implementing a newly crafted strategy often entails a change in corporate direction and frequently requires a focus on effecting strategic change. Many stories and reference is made of organizations and countries which are claimed to have very good 'blue prints' on recognition of where they are and where they will wish to move through the development of wonderful strategic plans. The story sadly comes to end because the strategies are left

to gain dust in the shelves. Thus strategy implementation proves tougher and more time consuming than crafting the same strategy. Many organizations have formulated excellent strategies but have not achieved excellent results due to poor strategy implementation due to variety of managerial activities that are undertaken to implement strategy and implementing strategy takes adept managerial leadership.

Insurance industry in Kenya is faced by several challenges that make their operation in the Kenyan market difficult. These challenges are dependent on the people, the status of the market, laws governing insurance in Kenya and the lack of proper information about insurance. In light of the challenging capital and insurance market environment, the Kenya insurance companies requires strong formulation and implementation of strategies so as to maintain financial strength and ensuring a safe insurance industry. CIC insurance company is not exceptional as it has encountered numerous challenges which necessitate the formulation and implementation of strategies which will ensure that the company can withstand the challenges affecting the industry. It is about implementing capability and initiatives readily available today into a comprehensive and cohesive plan. Information (flow from the lowest levels of the organization up to the decision makers brings valuable input in decision making, planning and strategy formulation. If the implementers are involved they understand why the strategy is being implemented and is unlikely to resist.

Recent studies which have been undertaken on strategy implementation includes Aiko (2009) undertook a study on strategy implementation at GlaxoSmithKline and found out that as competence, coordination, commitment and political turbulence may well be the single most important issue facing implementation process. Karani (2009) researched on

strategy implementation at Kenya Electricity Generating Company and established that implementation of strategic decision as an on-going process that requires monitoring and evaluation at all stages to determine the best alternatives in the process at any given point in time due to the changing environmental conditions and that an organization need to formulate clear and well documented strategies from the very beginning of strategy formulation through to implementation and that managerial support at all levels of the organization must identify and embrace the strategy so that staff buy in the idea and connect with strategy being implemented. Onger (2010) researched on strategy implementation at Citibank, Kenya and established that in the case of Citibank just like in any other player in the banking industry; implementation of strategies should be fast, consistent and should be adaptable on many fronts simultaneously. Nderitu (2010) researched on strategy implementation at East African Cables Limited and found out that organizational culture, resource allocation and organizational structure were found to be the important drivers of strategy implementation.

Indeed the various findings from the different scholars differ as each of them attaches an importance to something specific which is unique to them and although these studies had focused on different sectors of the economy other than the insurance sector which have different environments and different challenges to deal with. There is no universal approach to strategy implementation. Therefore, how is strategy implemented at CIC? What factors influence this strategy implementation?

1.3 Research Objectives

The objectives of the study were to:

- i. To determine how strategy is implemented at CIC insurance company.
- ii. To establish the factors that influence strategy implementation in the CIC insurance company.

1.4 Value of the study

This study aims at emphasizing the importance of good strategy implementation practices in a company which in turn will lead to the deliverance of value to their stakeholders, improved performance management and development of policies that will ensure proper implementation of strategy.

The study will be of value to management of CIC insurance company since it will help them understand the importance of ensuring effective formulation and implementation of the strategies they have designed. The recommendations of this study will form part of the action plans that will help in enhancing good service delivery by the insurance companies. This is because management will be able to make informed decisions on issues of implementation of the strategic plans in place.

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

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter provides information from publications on topics related to the research problem. It examines what various scholars and authors have said about the concept of strategy implementation. The chapter covers, concept of strategy, strategy implementation, tools for successful implementation and critical success factors for strategy implementation.

2.2 Concept of Strategy

The concept of strategy embraces the overall purpose of an organization. It is the determination of the basic long-term goals and objectives of an enterprise, adoption of courses of action and the allocation of resources necessary for carrying out those goals. Gole (2005) proposes that strategic management is a process, directed by top management to determine the fundamental aims or goals of the organization, and ensure a range of decisions which will allow for the achievement of those aims or goals in the long-term, while providing for adaptive responses in the short-term. The three core areas of corporate strategy as outlined by Gole (2005) encompasses: strategy analysis, strategy development and strategy implementation. Strategic analysis deals with examining the environment within which the organization operates. Mintzberg (1994) portrays strategy as a plan, a direction, a guide or course of action into the future and as a pattern, that is, consistent in behaviour over time.

As put by Pearce and Robinson (2007), strategy formulation is concerned with determining where the organization is, where it wants to go and how to get there. It

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

2.3 Strategy Implementation

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

therefore important to ensure that there is a shift in responsibility to ensure successful implementation. The implementers of strategy should therefore be fully involved in strategy formulation so that they can own the process.

According to Pearce and Robinson (2004), implementation stage is commonly referred to as action phase of the strategic management process. While other phases of formulation, analysis and choice of strategy are important, these phases cannot ensure success alone. A strategy must be translated into action, and that action must be carefully implemented. Implementation of strategy is initiated in three interrelated stages which include identification of measurable, mutually determined annual objectives, development of specific functional strategies and communication of policies to guide decisions. Implementing strategies successfully is about matching the planned and the realizing strategies, which together aim at reaching the organizational vision. The components of strategy implementation - communication, interpretation, adoption and action are not necessarily successive and they cannot be detached from one another.

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

personal leadership is important and sometimes decisive in the accomplishment of strategy.

2.4 Tools for Successful Strategy Implementation

Annual objectives serve as guidelines for action, directing and channeling efforts and activities of organizations members. They provide a source of legitimacy in an enterprise by justifying activities to stakeholders, serve as standards of performance and as such give incentives for managers and employees to perform. Annual objectives provide a basis for organizational design. According to David (1997), annual objectives are essential for strategy implementation because they represent the basis for allocating resources, are primary mechanism for evaluating managers, are the major instrument for monitoring progress toward achieving long-term objectives and establish organizational, divisional and departmental priorities.

Annual objectives translate long-range aspirations into this year's targets. If well developed, these objectives provide clarity, a powerful motivator and facilitator of effective strategy implementation. Annual objectives add breadth and specificity in identifying what must be accomplished to achieve long term objectives (Stalle, et.al. 1992). Annual objectives should be consistent across hierarchical levels and form a network of supportive aims. They should be measurable, consistent, reasonable, challenging, clear, communicated throughout the organization characterized by an appropriate time dimension, and accompanied by commensurate rewards and sanctions (Bonoma, 1984).

Policy refers to specific guidelines, methods, procedures, rules, forms, and administrative practices established to support and encourage work toward stated goals (David, 1997) Policies are broad, precedent-setting decisions that guide or substitute for repetitive managerial decision making and therefore are directives designed to guide the thinking, decisions, and actions of managers and their subordinates in implementing a firm's strategy. Policies set boundaries, constraints and limits on the kinds of administrative actions that can be taken to reward and sanction behavior, they clarify what can and cannot be done in pursuit of an organization's objectives. Policies let both employees and managers know what is expected of them, thereby increasing the likelihood that strategies will be implemented successfully. Whatever their scope and form, policies serve as a mechanism for implementing strategies and obtaining objectives. Policies represent the means for carrying out strategic decisions and hence should be stated in writing whenever possible (Hussey, 1988).

2.5 Factors influencing strategy implementation

According to Jones and Hill (1997), implementation of strategy is a way in which a company creates the organizational arrangement that allows it to pursue its strategy most effectively. Formulating appropriate strategy is not enough. For effective strategy implementation, the strategy must be supported by decisions regarding the appropriate organization structure, reward system, organizational culture, resources and leadership.

2.5.1 Leadership

Leadership is widely described as one of the key drivers of effective strategy implementation (Pearce and Robinson 2007) However, a lack of leadership, and

specifically by the top management of the organization, has been identified as one of the major barriers to effective strategy implementation (Hrebiniak 2005). Leadership is defined as "the leader's ability to anticipate, envision, and maintain flexibility and to empower others to create strategic change as necessary" (Hitt, Ireland, & Hoskisson 2007). Leadership is multifunctional, involves managing through others, and helps organizations cope with change that seems to be increasing exponentially in today's globalized business environment. Identifiable actions characterizing leadership that positively contributes to effective strategy implementation are determining strategic direction, establishing balanced organizational controls, effectively managing the organization's resource portfolio, sustaining an effective organizational culture and emphasizing ethical practices.

2.5.2 Organizational Structure

Organizations should be structured in such a way that it can respond to pressure to change from the environment and pursue any appropriate opportunities which are spotted (Lorsch 1967). Thompson and Strickland (1980) notes that strategy implementation involves working with and through other people and institutions of change. It is important therefore that in designing the structure and making it operational, key aspects such as empowerment, employee motivation and reward should be considered. Structure is the means by which the organization seeks to achieve its strategic objectives and implement strategies and strategic changes (Thompson 1997). Strategies are formulated and implemented by managers operating within the current structure.

Successful strategy implementation depends on a large part on how a firm is organized. Owen (1982) agrees that strategy and structure need to be matched and be supportive of each other in order to achieve objective set. The structure helps an organization identify its activities and the way in which it will coordinate them to achieve the firm's strategic objective. It also provides managers with a vehicle to exploit fully the skills and capabilities of the employees with minimal costs and at the same time enhance the firm's capacity to achieve superior efficiency, quality, innovation and customer responsiveness (Pearce and Robinson, 2007). One reason strategy implementation processes frequently result in problems or even fail is that the assignments of responsibilities are unclear. The organization structure therefore should fit with the intended strategies (Birnbaum, 2000).

2.5.3 Resource allocation

Strategy can be best understood if it is viewed as an element of an organization that includes proper resource allocation. The causes of breakdown in strategy implementation relate to the capabilities, processes and activities that are needed to bring the strategy to life. Effective resource allocation calls for unique, creative skills including leadership, precision, attention to detail, breaking down complexity into digestible tasks and activities and communicating in clear and concise ways throughout the organization and to all its stakeholders. Successful strategy implementation is due to the design, development, acquisition, and implementation of resources that provide what is needed to give effect to the institution's new strategies (Judson, 1991).

The organization need to have sufficient funds and enough time to support the implementation process. True costs include realistic time commitment from staff to

achieve a goal, a clear identification of expenses associated with a tactic, or unexpected cost overruns by vendors (Olsen, 2005). Resource allocation is important and equitable resource allocation and sharing is an important activity that enhances strategy execution. The resources include financial, physical, human, technological and good will resource. The strategic plan is linked to the annual business plan i.e. the budget (Birnbaum, 2000).

2.5.4 Non-involvement of employees

One frequent problem is the exclusion of human factors from the process of innovation strategy. Staff who are not involved in the creation of an innovation strategy, they do not get sufficient information about the objectives innovation strategy, are not thoroughly familiar with the intentions of firm's innovation activities, may be in some activities passively (Sauvage, 2003). As a useful tool in this analysis can help managers create their own business model of innovation relationship management (more Bartok & Jeska, 2006).

Birnbaum (2000) indicates that strategy implementation requires the transfer of information from one person to another through specific channels. Communication allows sharing of ideas, facts, opinions and emotions and above all provides feedback. In organizational strategy implementation, information flows in all directions; downwards, upwards and literally (Chapman, 2004). The management of the organization therefore thinks about the communication needs that to be articulated during strategy implementation.

2.5.5 Impact of Culture

Organizational culture can be cited as a key factor contributing to the success of or the failure of organizations. Organizational culture can be defined as a pattern of beliefs, norms or social expectations shared by individuals in organizational systems (Pavitt, 2006). These beliefs and expectations, although produced by the interaction between individuals and groups in organizational systems, influence back (through a retroactive feedback loop) the behavior of these same individuals and groups and nothing more than a representation of a socially constructed reality in which individuals and groups know what is important, what is acceptable and how to behave in specific situations.

For culture to promote change and increase the capacity of individuals, groups and organizational systems to innovate, it needs to ingrain in individuals the capacity to continually question their assumptions to reflect on the appropriateness of their actions in the light of unfolding events. Such a culture will be in a continual construction through learning, more specifically double loop learning (Argyris, 1976). As Kofman and Senge (1993 pg. 67) stated that "Those contexts that display their precarious nature, those contexts that invite revision and recreation are inherently better than those which hide their precarious nature and fight revisionist attempts. They will be in a continual state of becoming." Even culture will need to be in a continual state of becoming to evolve with the organizational system, its individuals, its structure and other elements. Organizational systems fostering such cultures can become learning organizations where interdependence, capacity for feedback, balance and adaptation are valued. In such systems, what individuals know is not as crucial as what they could know through learning and answers are always less important than questions.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discussed the research methodology that was used for the study. It described the research design and data collection method.

3.2 Research Design

The research design was a case study. Cooper and Schinder (2005), case studies place more emphasis on a full contextual analysis of fewer events or conditions and their interrelations. The merit of using a case study is that it allows an in-depth understanding of the behavior pattern of the concerned unit. Additionally a case study allows a researcher to use one or more of the several research methods depending on the circumstances. The study was used to identify the strategy implementation at CIC insurance company.

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

33 Data Collection

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

In-depth interviews reduce the "distance" between interviewer and interviewee (Johns and Lee- Ross, 1998). This method should be considered more often by researchers since it provides more qualitative information, more depth, more representation, more efficiency, more statistics, and more value (Stokes and Bergin, 2006). The choice of the respondents is very important, as senior executives are the head of the company and the ones who can foster the organizational implementation of the strategy to their employees. The interviews were semi-structured so that some questions can be omitted or added if some new and useful information come up through the whole procedure, which were "face to face" interviews. The order of the questions may also be varied depending on the flow of the conversation (Saunders et al., 2000). Some of the interviews were recorded in the cases that the interviewee accepts this action. This can have advantages like keeping the interviewer concentrated on listening and allow the formulated of the questions but can distract the interviewee by "focusing" on the recorder.

3.4 Data Analysis

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

Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Hsieh and Shannon, 2005). It involves observation and detailed description of objects, items or things that comprise the object of study. The themes (variables) that was used in the analysis was the strategy implementation and the success factors to strategy implementation.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the data that was found on Strategy Implementation at CIC Insurance Group Limited in Kenya. The research was conducted among interviewees who included branch manager at head office, operations manager, strategy and development managers, human resources manager and business development manager at CIC Group Limited in Kenya. All the respondents participated in the study making a response rate of 100%. Mugenda and Mugenda (1999) stated that a response rate of 50% and above is a good for statistical reporting.

4.2 Profile of respondents

The respondents were requested to indicate the period under which they had worked at CIC insurance Limited. This information aimed at testing the working experience appropriateness of the respondent in answering the questions regarding strategy implementation. The respondents were found to have worked for CIC between one to twenty years. Generally their working experience was mostly over four years

This implies that the management of CIC had been under CIC employment for a long time. This may have a further implication on experience in strategy implementation. Results could imply that CIC Management are experienced enough to implement strategies effectively.

This also depicts that the respondents were highly skilled and implemented their mandate with high proficiency.

43. Strategy implementation at CIC

The respondents were asked to indicate how they implement strategies at CIC. Results indicate that CIC uses more than one approach to implement strategies. In some cases, CIC uses a top down approach. In other cases, it uses change agents and consultants to spearhead the strategy implementation. Specifically, a business unit headed by the general manager is charged with the responsibility of ensuring implementation. In some instance, the balance score card approach is used. Some respondents indicated that strategy implementation took into account policy guidelines and policy monitoring. In all cases, everyone is involved and consultants are engaged to assist in breaking down the contents of strategic plan and explaining to all staff the role they play in implementation. This ensures universal support, a necessary ingredient in strategy implementation.

4.3.1 Strategy Formulation Practices

Respondents were requested to indicate the manner in which they felt strategies were formulated at CIC Insurance Company Limited. This information aimed at understanding the perception of managers on strategy formulation.

Generally the respondents indicated that strategy formulation at CIC Insurance limited involves the use of a bottom up consultative approach where management, board and a consultant are involved. They also believed that that strategy fonnulation is through SWOT Analysis.

The respondents during the interview expound their views on Strategy formulation.

4.3.2 The key factors considered in formulating strategies

The research sought to establish the key factors considered in formulating strategies at CIC Insurance Group Limited. From the findings, the respondents indicated that the key factors considered in formulating strategies included; the company vision, mission, the growth opportunities available for the company in the market, the unexploited market, being a dominant player in the industry.

The other key factors considered in formulating strategies were; CIC unique history of being owned by cooperatives hence it has a special focus on cooperative and ordinary Kenyans, the company being innovative and competitive, the shareholding of the company, its resources which includes people, capital and assets. Other key factors considered in formulating strategies were the market environment, macroeconomic factors and channels of distribution.

4.3.3 Implementing the chosen strategies

The researcher also sought to find out the how the company implemented the chosen strategies. The researched revealed that the company Used balance scorecard in implementing the chosen strategies. The company also implemented the chosen strategies by coming up with strategic business unit to handle the identified market, opening up more distribution channels including branches, through regional expansion, by establishing strong distribution network through conventional branches, agents and through developing channels like through web and mobile phone based services.

The implementation of the chosen strategies was also done by innovative solutions for the clients' needs, training of shareholders to own the strategy. It was also conducted through recruiting and training of resource staff to implement' the chosen strategies through monitoring and evaluation. The implementation of the strategy starts with the top management and trickles down to the other departments. The implementation of the chosen strategies is done through the five years strategic plan.

According to the findings, the strategic implementation in the organization was carried out by the group CEO, managing directors and all managers, heads of department, and senior management team.

4.3.4 Strategic management practices employed by CIC

The respondents were required to indicate the strategic management practices employed in their organization. According to the findings, the strategic management practices employed were; Planning, monitoring and evaluation.

Other strategic management practices included the use of relationship management with customers, through partnership with relevant associations, Innovation, research, alternative distribution channel, technology, need based product development approach to the market, monitoring and evaluation, recruitment of resource staff and developing the existing staff, regular training on products and processes, performance management on quarterly basis, product review and development.

The respondents were requested to indicate the extent to which they were involved in the company strategic plan formulation. This information aimed at understanding the extent of involvement of the managers in the formulation of strategy.

The respondents indicated that they were fully involved and the ones not involved were not under CIC employment during the initiation of the strategy. The findings imply that the CIC Management was largely involved in the strategic formulation process.

4.3.5 Agreement with Set Strategic Plan Objectives and suggested changes.

The respondents were asked whether they were in agreement with the set objectives of the strategic plan. Findings indicated that a majority were in agreement with the set objectives. Furthermore, they were not only in agreement with the set objectives but they also felt that the objectives were fair and achievable. They also felt that the objectives would have to change in the next strategic plan. This showed that majority were in agreement with the set objectives and were content about them.

The respondents were requested to suggest any changes to be made to the strategic plan.

Generally the respondents were already in full agreement to the set objectives. However, they made suggestions, whereby they indicated that the objectives should have included all the departments including the supporting department's e.g legal. The finding implies that there is a need to also consider supporting departments as their views may give a professional touch to the objectives of the strategic plan.

They went further to indicate that it should be more dynamic and in trend with the current changes. This implied that there is a need to ensure that the strategic plan is a living

document and that it takes into consideration the dynamics of the industry and the overall macroeconomic trends.

Furthermore they also felt that the strategic plan took into account the long position in line with the vision 2030 plan for Kenyan Government. The only changes perhaps to be taken into account are based on the outcome of the developer process that the company underwent.

4.4 Factors that Influence Strategic Implementation at CIC Insurance

The respondents were requested to indicate the factors that influence strategy implementation at CIC Insurance Company. Several thematic factors emerged. These were leadership, culture, resources, motivation, teamwork, communication, achieved performance, and external factors.

4.4.1 Leadership

Results indicate that leadership was one of the factors influencing strategy implementation. Leadership is demonstrated by the clarity of the company mission and vision and the customer value proposition. Excellent leadership ensures that these aspects are formulated in the best way possible.

Leadership is widely described as one of the key drivers of effective strategy implementation (Pearce and Robinson 2007). However, a lack of leadership, and specifically by the top management of the organization, has been identified as one of the major barriers to effective strategy implementation (Hrebiniak 2005). Leadership is defined as "the leader's ability to anticipate, envision, and maintain flexibility and to

empower others to create strategic change as necessary" (Hitt, Ireland, & Hoskisson 2007).

4.4.2 Communication

Findings in this study indicated that communication was one of the factors that influence strategy implementation. Proper communication from top management to middle management and to junior staff is essential in strategy implementation. Horizontal communication across departments is also essential in strategy implementation. The respondents felt that communication was key and the tone set from top management. Proper communication ensured that strategy was well understood.

Bimbaum (2000) indicates that strategy implementation requires the transfer of information from one person to another through specific channels. Communication allows sharing of ideas, facts, opinions and emotions and above all provides feedback. In organizational strategy implementation, information flows in all directions; downwards, upwards and literally (Chapman, 2004). The management of the organization therefore thinks about the communication needs that to be articulated during strategy implementation

4.4.3 Culture

Study results indicated that culture was one of the factors influencing strategy implementation. Organizational culture can be cited as a key factor contributing to the success of or the failure of organizations. Organizational culture can be defined as a pattern of beliefs, norms or social expectations shared by individuals in organizational

systems (Pavitt, 2006). These beliefs and expectations, although produced by the interaction between individuals and groups in organizational systems, influence back (through a retroactive feedback loop) the behavior of these same individuals and groups and nothing more than a representation of a socially constructed reality in which individuals and groups know what is important, what is acceptable and how to behave in specific situations.

A culture that is consistent with the strategy implementation strategy may affect strategy implementation positively. This meant that for effective implementation the culture across all the departments and all staff in general had to be consistent and in line with the set strategy.

4.4.4 Teamwork

Results indicated that Teamwork is a factor influencing the strategy implementation process. Teamwork between department staff and also between departments is crucial if a strategy is to be successfully implemented. For instance, the accounting department and the sales department as well as the IT department have to work hand in hand to ensure that good customer service is maintained.

One department failure may lead to the failures of other department due to the interconnectedness of the processes. It was noted that the organization was like a body whereby the various departments were body parts and for proper implementation they had all to work in harmony and thus teamwork was noted to be very important.

4.4.5 Staff Motivation

Study results indicated that motivation is one of the factors influencing strategy implementation. Staff motivation is indicated by the level of trust that management believes in the strategy, the attitudes towards proper compensation and benefits as well as the productivity of staff.. This was best understood by the staff owning the process and feeling that they belonged after understanding the strategy and how dedicated they were to it thus answering the question in their mind what was in for them.

One frequent problem is the exclusion of human factors from the process of innovation strategy. Staff who are not involved in the creation of an innovation strategy, they do not get sufficient information about the objectives innovation strategy, are not thoroughly familiar with the intentions of firm's innovation activities, may be in some activities passively (Sauvage, 2003). As a useful tool in this analysis can help managers create their own business model of innovation relationship management (Bartok & Jeska, 2006).Staff also get motivated by watching the level which the top management is dedicated and they can thereafter implement the strategy with integrity leading to good productivity.

4.4.6 Organizational Resources

Study results indicated that organization resources are one of the factors influencing strategy implementation. The adequacy of financial and human resources may influence how successful the strategy implementation process is. It was noted that a strategic plan without adequate resources would just be another record left to settle dust and hence for successful implementation CIC had to ensure that they had put proper planning in place to ensure that organizational resources were both available and accessible.

The organization need to have sufficient funds and enough time to support the implementation process. True costs include realistic time commitment from staff to achieve a goal, a clear identification of expenses associated with a tactic, or unexpected cost overruns by vendors (Olsen, 2005). Resource allocation is important and equitable resource allocation and sharing is an important activity that enhances strategy execution. The resources include financial, physical, human, technological and good will resource. The strategic plan is linked to the annual business plan i.e. the budget (Birnbbaum, 2000).

4.4.7 External factors such as regulation and industry growth

External factors such as the regulation of the industry may affect the strategy implementation process. A regulation that stipulates that " cash and carry" may affect whether a strategy on sales improvements will be implemented successfully or not. It was noted that the regulator- regulations and supervisory laws paired by the regulator way impact either positively or negatively. This meant that if the strategy implementation practices did not take into consideration the external factors then they were bound to fail or be delayed. The company growth also had to be in tandem with the insurance industry.

The achievement or non achievement of some objectives may influence the strategy implementation process. Excellent performance may either slow or increase the implementation process. For instance, if the annual financial budget is achieved in the second quarter, this may slow down efforts to implement a certain strategy in the third and fourth quarter. The research sought to find out how often the policies at CIC Insurance Group Limited on implementation were updated. From the findings, the

respondents indicated that the policies at CIC Insurance Group Limited on implementation were updated quarterly, annually, and after every five years.

4.4.8 Metrics for Strategy Implementation

The respondents indicated that they were aware of specific metrics for strategy implementation which was performance measurement and it was also revealed that the annual revenue targets of 10 billion and a profit of 1 billion are the specific metrics that have been used to measure strategy implementation success. Compliance metrics were also being used to measure strategy implementation success. Finally the respondents revealed that profitability, growth and investments were metrics used to measure strategy implementation success.

The respondents were requested to indicate whether the strategy implementation metrics have been achieved. This information was to assist in determining how successful the metrics being used were. Generally, respondents agreed that the metrics of **strategy** implementation have been achieved although a few lagging behind. They noted that 80% of the metrics had been achieved and what has not been achieved included credit rating, ISO certification, unit linked products and Takafii products. This meant that the metrics were still work in progress

The respondents were requested to indicate whether they were comfortable with the level of achievement of set metrics. This information was to assist in knowing the level of confidence the managers had in the set metrics and as this would contribute to strategy

implementation. The respondents were comfortable with the level of achievement of set metrics although they would be even more comfortable if they were to be automated.

The respondents were asked to indicate their opinion on the extent of alignment of strategic plan to company objectives. Findings indicate that the strategic plan was well aligned to company objectives. The respondents felt that the strategic plan captured the objectives of the company very well, they further felt that they captured the objectives and in the new planning cycling looking to have more comprehensive plan with stretch targets due to the nature of company and having listed. To them the strategic plan is extensive and has helped grow the company to be the fastest growing insurance company.

4.5 Discussion of Results

This section discusses the findings of the study by relating the objectives of the study with existing literature. The findings of the study concur with what various studies have identified as Strategy Implementation in various organizations.

4.5.1 Comparison to Theory

One of the objectives of the study was to determine strategy implementation at CIC insurance company. Results indicate that CIC use more than one approach to implement strategies. In some cases, CIC uses a top down approach. In other cases, it uses change agents and consultants to spearhead the strategy implementation. Specifically, a business unit headed by the general manager is charged with the responsibility of ensuring implementation. In some instance, the balance score card approach is used. Some

respondents indicated that strategy implementation took into account policy guidelines and policy monitoring. In all cases, everyone is involved and consultants are engaged to assist in breaking down the contents of strategic plan and explaining to all staff the role they play in implementation. This ensures universal support, a necessary ingredient in strategy implementation. The findings agree with those in Machuki (2005) who noted that Management commitment, Use of change agents, Team appointment and involvement, Training for all levels, Developing an implementation plan, Establishing a documentation structure and Establishing an internal auditing system are some of the best practices in strategy implementation.

The second objective was to establish the factors that influence strategy implementation at CIC insurance company. Findings indicated that leadership was one of the factors that influence strategy implementation. Good leadership ensures that the company mission, customer value proposition as well as objectives are clear and well understood. Good leadership is crucial in setting the strategic direction of a company. The findings agree within those in Pearce and Robinson (2007) who noted that Leadership is widely described as one of the key drivers of effective strategy implementation. The findings are also consistent with those in Hrebiniak (2005) who argues that lack of leadership, and specifically by the top management of the organization, has been identified as one of the major barriers to effective strategy implementation. The findings also agree with those in Hitt, Ireland, & Hoskisson (2007) who noted that the identifiable actions characterizing leadership that positively contributes to effective strategy implementation are determining strategic direction, establishing balanced organizational controls, effectively

managing the organization's resource portfolio, sustaining an effective organizational culture and emphasizing ethical practices.

Findings also indicate that allocation of organizational resources is a factor influencing strategy implementation. The results agree with those in Judson (1991) which noted that successful strategy implementation is due to the design, development, acquisition, and implementation of resources that provide what is needed to give effect to the institution's new strategies. The findings also agree with those in Olsen (2005) which noted that the organization needs to have sufficient funds and enough time to support the implementation process. True costs include realistic time commitment from staff to achieve a goal, a clear identification of expenses associated with a tactic, or unexpected cost overruns by vendors. The results further agree with those in Birnbaum (2000) who noted that resource allocation is important and equitable resource allocation and sharing is an important activity that enhances strategy execution. The resources include financial, physical, human, technological and good will resource. The strategic plan is linked to the annual business plan i.e. the budget.

Findings also indicate that culture is a factor influencing strategy implementation. The findings agree with this in Aosa (1992) who conducted an empirical investigation of aspects of strategy formulation and implementation within large private manufacturing companies in Kenya. Aosa (1992) observes that lack of compatibility between strategy and culture can lead to high organizational resistance to change and demotivation, which can in turn frustrate the strategy implementation. Cultural impact under estimation is yet another challenge to strategy implementation.

Findings in this study indicated that communication was one of the factors that influence strategy implementation. Proper communication from top management to middle management and to junior staff is essential in strategy implementation. Horizontal communication across departments is also essential in strategy implementation. The findings agree with those in Aaltonen and Ikavalko (2001) who noted that poor communication is a sign of poor leadership and management. Aaltonen and Ikavalko (2001) state that the amount of strategic communication in most organizations is large with both written and oral communication being used in form of top down communication. However, a great amount of information does not guarantee understanding and there is still much to be done in the field of communicating strategies. The findings also agree with those in Wang (2000) who argue that communication should be two way so that it can provide information to improve understanding and responsibility and to motivate staff. Also they argue that communication should not be seen as a one-off activity throughout the implementation process. In many cases it is not so and communication still remains a challenge to strategy implementation process.

One of the factors influencing strategy implementation was staff motivation. A motivated work force is necessary in the execution of strategies. The findings agree with those in Bryson (2005) who argue that failure by management to put in place proper compensation structure may be responsible for failure in strategy implementation. Bryson (2005) further asserts that people must be adequately compensated for their hard work. The findings agree with those in McCarthy et al (1986) who noted that organizations often find it difficult to carry out strategies because they have executive compensation

systems that measure and reward performance in a way that ignores or even frustrates strategic thinking, planning, and action. Most incentive programs are designed only for top management. Lower levels of management and operative employees do not normally participate. If strategy accomplishment is to be a really top priority, then the reward structure must be linked explicitly and tightly to actual strategic performance (Thompson and Strickland, 1997).

4.5.2 Comparison to other Empirical studies

One of the objectives of the study was to determine strategy implementation at CIC insurance company. Results indicate that CIC use more than one approach to implement strategies. In some cases, CIC uses a top down approach. In other cases, it uses change agents and consultants to spearhead the strategy implementation. Specifically, a business unit headed by the general manager is charged with the responsibility of ensuring implementation. In some instance, the balance score card approach is used. Some respondents indicated that strategy implementation took into account policy guidelines and policy monitoring. In all cases, everyone is involved and consultants are engaged to assist in breaking down the contents of strategic plan and explaining to all staff the role they play in implementation. This ensures universal support, a necessary ingredient in strategy implementation.

The findings support Karani (2009) who established that implementation of strategic decision as an on-going process that requires monitoring and evaluation at all stages to determine the best alternatives in the process at any given point in time due to the

changing environmental conditions and that an organization need to formulate clear and well documented strategies from the very beginning of strategy formulation through to implementation and that managerial support at all levels of the organization must identify and embrace the strategy so that staff connect with strategy being implemented.

The study also supports Onger (2010) and Nderitu (2010) who established that implementation of strategies should be fast, consistent and should be adaptable on many fronts simultaneously and also that organizational culture, resource allocation and organizational structure are important drivers of strategy implementation.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

From the analysis and data collected, the following discussions, conclusions and recommendations were made. The responses were based on the objectives of the study. The researcher had intended to determine strategy implementation in CIC Insurance Company Ltd.

5.2 Summary of the Findings

This section dwelt on the summary of the findings generated from data analysis. The summary was done along the objectives of the study.

5.2.1 Strategy implementation at CIC

One of the objectives of the study was to determine strategy implementation practices in CIC insurance company. Results indicate that CIC use more than one approach to implement strategies. In some cases, CIC uses a top down approach. In other cases, it uses change agents and consultants to spearhead the strategy implementation. Specifically, a business unit headed by the general manager is charged with the responsibility of ensuring implementation. In some instance, the balance score card approach is used. Some respondents indicated that strategy implementation took into account policy guidelines and policy monitoring. In all cases, everyone is involved and consultants are engaged to assist in breaking down the contents of strategic plan and

explaining to all staff the role they play in implementation. This ensures universal support, a necessary ingredient in strategy implementation.

5.2.2 Factors influencing strategy implementation in CIC

The second objective was to establish the factors that influence strategy implementation in the CIC insurance company. Findings indicated that leadership was one of the factors that influence strategy implementation. Good leadership ensures that the company mission, customer value proposition as well as objectives are clear and well understood. Good leadership is crucial in setting the strategic direction of a company.

Findings also indicate that allocation of organizational resources is a factor influencing strategy implementation. Successful strategy implementation is due to the design, development, acquisition, and implementation of resources that provide what is needed to give effect to the institution's new strategies.

Findings also indicate that culture is a factor influencing strategy implementation. Lack of compatibility between strategy and culture can lead to high organizational resistance to change and demotivation, which can in turn frustrate the strategy implementation. Cultural impact under estimation is yet another challenge to strategy implementation.

Findings in this study indicated that communication was one of the factors that influence strategy implementation. Proper communication from top management to middle management and to junior staff is essential in strategy implementation. Horizontal communication across departments is also essential in strategy implementation. Communication should be two way so that it can provide information to improve

understanding and responsibility and to motivate staff. Also they argue that communication should not be seen as a one-off activity throughout the implementation process. In many cases it is not so and therefore communication still remains a challenge to strategy implementation process.

One of the factors influencing strategy implementation was staff motivation. A motivated work force is necessary in the execution of strategies. Failure by management to put in place proper compensation structure may be responsible for failure in strategy implementation. People must be adequately compensated for their hard work. Organizations often find it difficult to carry out strategies because they have executive compensation systems that measure and reward performance in a way that ignores or even frustrates strategic thinking, planning, and action. If strategy accomplishment is to be a really top priority, then the reward structure must be linked explicitly and tightly to actual strategic performance.

One of the factors influencing strategy implementation included external factors. For instance, new laws may render the strategies illegal or obsolete. Uncontrollable factors in the external environment described under the PESTEL framework may pose a challenge to strategy implementation.

5.3 Conclusions

From the study findings it was possible to conclude that some of the strategic management practices adopted by CIC insurance include the use of a top down approach in strategy implementation.

It may be concluded that in some cases, CIC uses change agents and consultants to spearhead the strategy implementation. Specifically, a business unit headed by the general manager is charged with the responsibility of ensuring implementation.

It may be concluded that in some instances, the balance score card approach is used. The use of a balance score card ensures that performance in four key areas is addressed. These include employee satisfaction, customer satisfaction, financial performance and process improvement.

It was also possible to conclude that strategy implementation took into account policy guidelines and policy monitoring. In all cases, CIC adopted best practices in employee involvement as everyone was involved in strategy implementation.

It was also possible to conclude that consultants are engaged to assist in breaking down the contents of strategic plan and explaining to all staff the role they play in implementation. This ensures universal support, a necessary ingredient in strategy implementation.

It was also possible to conclude that the factors influencing strategy implementation at CIC were organizational leadership, culture, organizational resources, staff motivation, external factors, achievement of objectives and teamwork.

5,4 Recommendations for Policy and Practice

The study makes the following recommendations based on the objectives of the study.

It is recommended that CIC management needs to adopt best practices in strategic management. This includes Management commitment, Use of change agents, Team appointment and involvement, Training for all levels, developing an implementation plan, establishing a documentation structure and establishing an internal auditing system.

For strategy implementation to be successful, CIC and insurance institutions needs to align its culture to strategy implementation. Specifically, CIC needs to address the resistance of employees by improving on communication and training them and rewarding them adequately.

CIC and other Insurance firms need to align the organization leadership to strategy. CIC should therefore ensure that the leadership style is transformational and not transactional.

The CIC management should carry out its functions of Planning, Organizing, Staffing, Directing and Controlling effectively. They should ensure that the mission, vision and value proposition of the firm is clear.

The CIC management needs to enhance staff motivation. The management should put in place proper compensation and reward structure for strategy implementation. This will ensure that the goals of the employees are aligned to the goals of the organization.

CIC and other insurance providers need to align the organization resources to strategy. The management should ensure that all strategic objectives have been allocated enough team members & resources. The strategy implementation teams should have adequate education and training background. The management should ensure that some of the financial and non financial resources allocated to strategy implementation are not being misused. The strategy implementation teams should have adequate experience in strategy implementation.

5.5. Limitation of the Study

The study findings accuracy was limited to the extent to which the respondents were honest in responding to questions. Given the sensitive nature of data collected, there may have been likelihood of answering questions in a certain way so as to avoid giving away crucial and confidential strategic secrets. This was despite the assurance that the study information would be used in a confidential manner. In addition, the findings may not be generalized to other sectors because the structure of other sectors is different from the insurance sectors in terms of regulations and industry structure. For instance, the laws set out by IRA only impact on organizations in the insurance sector. From a contextual standpoint, the current study fails to demonstrate whether other insurance providers face similar challenges.

Major conceptual gaps in current study are attributed to the fact that the study could not establish empirically the statistical relationship between the factors and success of strategic implementation outcomes.

5.6 Suggestion for Further Research

The researcher recommends that a replicate study be done on other insurance companies in the insurance industry so as to find out how other companies implement strategy since each company do have a different approach. The researcher further recommends that a similar study be done on other institutions for the purposes of benchmarking. In addition, a statistical regression model should be established to reduce the heat to light ratio on the argument of effect of factors on strategic performance metrics. A factor analysis approach may also be undertaken on the same.

Another area of study would be to determine the drivers of competition facing CIC Ltd. This may be complemented by another study on the strategic responses adopted by CIC Co Ltd. Such a study would look at the resource dependency theory and the institutional theory to inform the identification of strategic responses.

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APPENDICES: INTERVIEW GUIDE

1. How long have you worked for CIC insurance Limited
2. Formulation of the strategy
 - How do you formulate strategy in your company
 - What are the key factors considered in formulating strategy
 - What are the strategic management practices employed at CIC
 - To what extent were you involved in the formulation of the company strategic plan
 - Do you agree with the set objectives
 - If not what changes do you think should be made
3. Implementation
 - How do you implement strategy in CIC
 - Who is the person responsible for overseeing the implementation of strategy
 - In your opinion what are the factors that influence strategy implementation in CIC
 - Are you aware of any specific metrics
 - Do you think they are being achieved
 - Are you comfortable with the metrics that has been set
4. To what extent do you think the strategic plan captures the objectives of the company