

**CHALLENGES TO STRATEGY IMPLEMENTATION AT
MADISON INSURANCE COMPANY (K) LIMITED.**

**BY
CHRISTINE RONGA
D61/P/8668/2005**

**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE
AWARD OF THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION
SCHOOL OF BUSINESS
UNIVERSITY OF NAIROBI.**

OCTOBER 2008

University of NAIROBI Library

0339478 0

DECLARATION


This research project is my original work and has never been presented in any other University or College for the award of degree or diploma or certificate.

Signature:  _____

Ronga Christine

Reg. No.: D61/ P/8668/05

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

Signature:  _____
Dr. John Yabs

Date: / i V / Z ^ ^ f

DEDICATION

This project is dedicated first and foremost to the Almighty God whose providence, grace, and care I cherish.

To my mum Agy you made me who I am today

To my husband Kephah, darling I appreciate your patience and understanding

To my daughter Jewel, you are the apple of my eye ,I know you will do exploits in
your time!

To my colleagues

Thanks for your prayers

ACKNOWLEDGEMENTS

I am indebted to God for having brought me this far. His abundant love, care, and grace have carried me throughout the MBA program and cultivated in me a profound hope and faith that my prayers have been answered at last. Thank you Jesus!

It is my confession that the MBA program has been a very long, taxing and challenging journey, the successful completion of which has been the result of the support and encouragement from many quarters. I am indebted not only to people who gave me the inspiration to take up this program but also to those who gave me the guidance and assistance on what I have reported here.

My heartfelt gratitude and appreciation go to my supervisor Dr. John Yabs, under whose able supervision and guidance this project has been a success. I am convinced that without his concerted support, this study would not have been a success. Most especially, I am grateful to the management of Madison Insurance Company of Kenya Limited for allowing me to undertake the study in the company. I most sincerely thank those managers who agreed to share their experiences and opinions; and patiently answered all questions. Their time and effort are acknowledged with gratitude. I wish them God's blessings.

I greatly appreciate the encouragement of my colleagues both at my work place and MBA class throughout the program. Were it not for their interactive discussions and encouragement, the program could have proved unmanageable. May God bless them abundantly.

Last but not least, I am very grateful to my entire family, my Mum Agnes, Sister Esther, Brother Matthew, My friend and Husband Kephah, and daughter Jewel for their patience and love that they showed more especially when I would not have time for them. I earnestly thank them for their prayers and encouragement. I wish them God's grace. Whereas I acknowledge input from all these persons in the research project, I take responsibility of any deficiencies and flaws therein.

ABSTRACT

This research was designed to investigate into the challenges to strategy implementation at Madison Insurance Company of Kenya Limited.

The study sought to achieve one objective: to determine challenges to strategy implementation at Madison Insurance Company of Kenya Limited. To achieve this objective, the study was carried out through interviews using an interview guide in which Divisional Managers, Branch Managers, and Regional Managers were targeted.

The findings of the study showed that the company adopts formal strategic planning in coming up with its strategies, hence all aspect in the process were carried out. These include strategy formulation, implementation and evaluation and control. The responsibility of formulating strategy at the company was mainly carried out by the top management team with some exceptional involvement of branch managers, heads and departments, and regional offices. The findings also showed that the company adopts different ways in implementing its strategy. These range from training, new product developments, up to and including organizational structural changes among others. Strategy reviews were found to be carried out monthly and then quarterly.

In implementing the strategy, it was however found out that the company faces a number of challenges. The challenges that were pointed out by the respondents include aspects of organizational culture and structure, high degree of staff turnover, ineffective communication, inadequate resources, skills, resistance to change, lack of team work, and a very competitive business environment among others. These challenges range from institutional, behavioral, internal and external.

TABLE OF CONTENTS

Declaration.....	i
Dedication.....»	
Acknowledgements.....	iii
Abstract.....	iv
Table of contents.....	v
Definition of Terms.....	vii
CHAPTER 1: INTRODUCTION.....	1
1.1 Background.....	1
1.1.1 Insurance Industry in Kenya.....	3
1.1 .2 Madison Insurance Company (K).....	4
1.2 Statement of the research problem.....	5
1.3 Objective of the study.....	7
1.4 Importance of study.....	7
CHAPTER 2: LITERATURE REVIEW.....	8
2.1 The concept of Strategy.....	8
2.2 Strategy planning process.....	9
2.3 Strategy Implementation.....	10
2.4 Challenges of Strategy Implementation.....	12
2.4.1 Institutional Challenges.....	12
2.4.2 Social Cultural Aspects.....	13
2.4.3 Engagement of all Stakeholders.....	13
2.4.4 Leadership.....	14
2.4.5 Organizational politics/Commitment.....	14
2.4.6 Resources.....	15
2.4.7 Communication.....	15
2.5 Madison Insurance Documented Strategies.....	15
CHAPTER 3: RESEARCH METHODOLOGY.....	18
3.1 Research design.....	18

3.2 Data collection.....	18
3.3 Data analysis.....	18
CHAPTER 4: DATA ANALYSIS AND INTERPRETATION.....	19
4.1 Introduction.....	19
4.2 Strategic planning at Madison Insurance Co. Limited.....	19
4.3 Challenges to strategy implementation.....	21
CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS.....	24
5.1 Introduction.....	24
5.2 Summary.....	24
5.3 Conclusion.....	25
5.4 Recommendations.....	26
5.5 Limitations.....	28
5.6 Suggestions for further research.....	28
REFERENCES.....	29
APPENDIXES.....	33
APPENDIX I: LETTER TO RESPONDENTS.....	33
APPENDIX 2: INTERVIEW GUIDE.....	34
APPENDIX 3:MAP OF MADISON HEAD OFFICE AND BRANCHES.....	36

Definition of terms

Composite insurance companies: those offering both life and non-life (general) products.

Insurance industry: these are companies that are composite in nature only.

Premium: amount of money paid by an insured party to cover against risk

Underwriting: this is the process of contractual binding between the insured party and the insurance company that it will be responsible for meeting the liabilities thereof, of any risk befalling the insured that is covered as per the policy document which is the proof of cover after the insured party has obliged by making payment towards the insurance.

CHAPTER ONE: INTRODUCTION

1.1 Background

All organizations including Madison insurance work within an environment, and to remain competitive, they have to formulate strategies. These strategies must be implemented to ensure that the desired results are achieved. In their quest to implement strategies, organizations experience challenges. It is imperative that these organizations are able to respond effectively to challenges; both problems and opportunities as they arise.

The importance of the insurance sector is high for any developing country and Kenya is no exception. It allows for a range of financial instruments for different purposes; from meeting diverse needs from health costs, medical emergency (health insurance) or savings or crop insurance to personal asset building or long term fund accumulation for investment among others. It provides for continuous inflow of capital and long-term investible funds. Insurance sector's contribution to the country's GDP can be significant. For example, in the U.S it is between 7 to 8 percent. Such long term funds can support the government to draw on investment to execute important public projects that have long gestation period, i.e. roads, ports etc. It also allows private companies to access the financial markets to raise long term funds. A mature insurance sector is backed by reputable re-insurers. And lots of jobs are created.

According to Newman et al (1989), a large part of the time of a manager is devoted to execution that is detailed programming, motivating and controlling, however, no services are rendered and no profits are earned until action by first line managers actually takes place. All managers thus bear responsibility for successful implementation. It is not just a lower level task. Without understanding and commitment, strategy implementation efforts face major problems (David, 1997), managers are prone to overlook implementation realities. Therefore most strategies fail at the strategy implementation stage. Implementation calls for organizational analysis to help drive the decision and the implementation process. Managing implementation and the organizational issues that go with it, is so frequently the graveyard of strategy (Grundy, 1995).

Difficulties in strategy implementation are partly occasioned by abstract or impediments to the implementation process. Hrebiniak (2005) observes that these difficulties often include longer time frames needed for execution; the need for involvement of many people in the implementation process; poor or vague strategy; conflict with the organization power structure; poor or inadequate sharing of information; a lack of understanding of the organizational structure, including information sharing and coordination methods; unclear responsibility and accountability in the implementation process; and an inability to manage change, including cultural change.

Although in reality there maybe a separation of formulation and implementation tasks, the two are highly interdependent. Planning affects implementation. The implementation of strategy, in turn affects changes to strategy formulation over time, however, putting the strategy into effect and getting the organization moving in the chosen direction calls for a different set of managerial tasks and skill, (Thompson & Strickland, 1993). That is, implementation must permeate the veiy day to day life of the company for strategy to be effectively implemented (Pearce & Robinson 2002). It cuts across actually, all facts of managing and must be initiated from many points inside the organization. It affects an organization from top to bottom and it impacts all the functional and divisional areas of business. Depending on the amount of internal change involved, full implementation can take several months to several years (Thompson, 1990). Whereas crafting strategy is largely an entrepreneurial activity, implementing strategy is largely an internal and administrative activity. Whereas successful strategy formulation depends on business vision, market analysis and entrepreneurial management, successful implementation depends on working through, organizing, motivating, and culture building and creating strong fits between strategy and how the organization does things. Ingrained behavior does not change just because a new strategy has been announced. Implementing strategy is tougher, more time consuming, and challenging than crafting strategy. Practitioners emphatically agree that it is a whole lot easier to develop a sound strategic plan than it is to make it happen (Thompson & Strickland, 1993)

Mintzberg and Quinn (1991) stated that 90% of well formulated strategies fail at implementation stage while David (1997) claimed that only 10% of formulated strategies are successfully implemented. The reasons that have been advanced for the success or failure of the strategies revolve around the fit between the structure and strategy, the allocation of resources, the organizational culture, leadership, rewards, as well as the nature of the strategy itself.

Stoner and Colleagues (2001) observed that the field of strategy implementation is so new that there is no consensus about its dimensions. Further, Hrebiniak (2005) observed that management literature has focused over the years primarily on parading new ideas on planning strategy formulation, but it has neglected implementation. Hrebiniak (2005) further argues that it is obvious that implementation of strategy is not nearly as clear and understood as the formulation of strategy. People are waking up to the challenges and are being forced to take strategy implementation more seriously.

1.1.1 Insurance industry in Kenya

The Insurance Industry in Kenya falls under the service sector. Specifically, the Commissioner of Insurance governs it through the Ministry of Finance. The legislation governing the insurance industry is the Insurance Act Cap 487 Laws of Kenya, Part xv section 150 stipulating that only registered brokers, agents, risk managers, loss assessors, loss adjusters, surveyors and claims letting agents are allowed to carry on insurance business (GoK, 2005).

Insurance companies in Kenya have an association, which is known as Association of Kenya Insurers (AKI) whose membership is open to any insurance firm duly registered under the Insurance Act and the Companies Act cap 486 Laws of Kenya to transact business in Kenya. The AKI main objective is to promote adherence to prudent business practices by members and to create awareness among the general public with a view of accelerating the growth of the insurance business in Kenya. The current membership in AKI shows that it consists of 15 composite companies, 20 general business companies and 7 life companies (AKI, 2005).

The insurance industry in Kenya has been going through tumultuous times especially because the sector is extremely dependent on the performance and outlook of other sectors in the economy and in particular, Agriculture, Transport, Health, Aviation, and Construction among others. The industry also provides in the stability of the economy through invisible earnings and provision of consumer benefits directly by way of insurance products. It therefore supports business activities through policy coverage of various risks, financial credit, investment and advice (Jura, 2001).

1.1.2 Madison Insurance Company of Kenya

Madison Insurance Company Kenya limited (MICK) is a registered company under the Insurance Act and incorporated under Kenyan Laws in 1987 after a successful merger between Crusader Pic 1974 and Kenya Commercial Insurance Corporation (Madison Human Resources, 2005).

The company vision is " to achieve and maintain the top ranking position in the insurance industry in Kenya in terms of premium growth and stakeholder value." while the mission statement is "is to provide affordable, profitable insurance products and the best customer service possible, in order to realize maximum, returns on investments for the benefit of shareholders, policy holders and employees." (Madison Audited Accounts, [MICK] 2006). The company values are, "integrity, service initiative, innovativeness, professionalism," (MICK, 2006). Madison insurance being among the 15 composite insurance companies in Kenya, it offers a wide-range of products in both life and general business. Life insurance products include; group term (life) assurance, group deposit administration, group creditor insurance, Madison individual pension plan, Madison school fees policy, Madison 2000 plus policy, mortgage protection policy, flex loan, funeral cash, whole life and smart investor. General insurance products include; fire, motor, domestic package, golfers insurance, fidelity guarantee, professional indemnity for doctors, personal accident, group personal accident, workmen's compensation, burglary, employer's liability, money insurance and medical insurance which has options for in and out-patient (MICK, 2007). Madison Insurance Company (K) has its head-office in Upper Hill Nairobi and a distribution network of 14

branches across the country. As at June 2008, it had 155 employees and 300 agents countrywide.

Just being able to conceive bold new strategies is not enough. An organization's management must also be able to translate the organization's strategic vision into concrete steps that 'get things done'. Strategy implementation, as viewed by Thompson and Strickland (1998), is acting on what has to be done internally to put the chosen (formulated) strategy into place and achieve the targeted results. Hunger and Wheelen (1995) see it as the process by which management translates strategies and policies into action through the development of programs, budgets and procedures. This process might involve changes within the overall culture, structure, and/or management system of the organization.

1.2 Statement of the research problem

Today, organizations in Kenya operate under increasing competitive and ever-changing environment. In order to survive and deliver goods and services effectively, they require engaging in effective strategic management process. According to Kiruthi (2000), "all organizations must grapple with the challenges of the changing environment in which they operate". Various organizations develop and/or formulate their strategies variously. Whatever the process, each organization ends up with what is called a strategy.

The global environment, within which insurance companies including Madison Insurance Company (K) compete, is increasingly more competitive. In a bid to sustain and gain market share, managers are devising strategies aimed at counteracting competitors, spurring growth and ensuring that the companies remain market driven. It is therefore of great importance that these strategies be implemented to ensure that the targeted results are achieved. The increasing trend of inflation and the widening of general abject poverty in the country has reduced the aggregate demand of insurance products (Jura, 2001). This ideally means that Madison Insurance Company (K) like other firms in the industry has to be more efficient in the way it carries out business in the competitive environment to realize growth in the long run.

Whereas a number of studies have been done on challenges of strategy implementation; Kiptarus (2003), Ochanda (2005), Machuki, (2005), Wambugu (2006), Kimithi (2006), Meshack (2007), the studies have been carried out in contexts other than the insurance industry context. This study takes a significant shift to focus on a company in the insurance industry, that is, Madison Insurance Company Limited.

Circumstances facing the company as it puts efforts to implement its strategies are expected to pose enormous challenges to the company. For instance, the company is faced with economic and operating uncertainties due to increased insurance claims, fraud, corruption, mismanagement, increased management expenses, client withdrawals, huge employee and agent turnover, huge court awards for injuries, damages and other insurance liabilities. Other issues bedeviling the economy and affecting Madison insurance currently are the increase in fuel pump prices hence increasing the cost of living, insecurity and corruption. These indicators have an impact on the efficiency of the company because of higher inflationary tendencies that impact adversely on consumers thus lowering the premium underwritten. In addition, there are higher risks involved because of fraudulent customers who don't give proper information (Ngaru, 2005). Increased insecurity and road accidents by motor vehicles have inflated claims paid to claimants by the company thereby lowering their profits and growth levels. (Irungu, 2005).

In spite of these predicaments, there is a call for increased efficiency and effectiveness in strategy implementation to enable the company cope with the turbulence and volatile changes in the business environment. This effort saw the board of directors appoint a new chief executive in 2006 to lead the company towards achieving its goals. As a result, new strategies were formulated whose implementation is the focus of this study. The study therefore addresses the question: What are the challenges to strategy implementation at Madison Insurance Company Limited?

1.3 Objective of the Study

The objective of the study is to determine the challenges to strategy implementation at Madison Insurance Company limited.

1.4 Importance of Study

This study will benefit the following:

- (i) The management team will benefit from information that identifies strategy implementation extent and the challenges. The managers will understand the kind of challenges that are faced in strategy implementation and hence they will be able to formulate strategies to counter them or mitigate their effect.
- (ii) The study will enlighten the staff of Madison Insurance Company (K) limited to the need for their cooperation during strategy implementation.
- (iii) Other insurance companies can borrow from this research to also successfully implement their strategies.
- (iv) Lastly it will benefit the academicians and researchers for referencing purposes, as they go about carrying out their research activities with a bid to increase on the body of knowledge.

o

CHAPTER TWO: LITERATURE REVIEW

2.1 The Concept of Strategy

Strategy is a much used and abused word, and means different things to different people and organizations. Like many other concepts in the field of management, there is no agreed all embracing definition of strategy. Indeed, strategy is an elusive and somewhat abstract concept. This must be expected when dealing with an area that is constantly developing (Grant, 2000).

Strategy is a multi-dimensional concept and various authors have defined strategy in different ways. Chandler (1962), in strategy and structure, calls strategy "... the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and allocation of resources necessary for carrying out these goals". Strategy is the match between an organization's resources and skills and the environmental opportunities and risks it faces and the purpose it wishes to accomplish (Hofer 1978). It is meant to provide guidance and direction for activities of the organization, since strategic decisions influence the way organizations respond to their environment, the purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment (Schendel and Hofer, 1979).

According to Ansoff (1965), the concept of strategy is the firm's business and the common thread which is arrived at through the use of product-market scope. Andrews (1971), defines strategy in terms of corporate strategy as the pattern of major objectives, purposes, or goals and essential policies and plans for achieving those goals, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be. According to Jauch and Glueck (1984), strategy is "a unified and integrated plan that relates the strategic advantages of the firm to the challenges of the environment and that is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization.

Mintzberg (1994) defines strategy as a pattern in a stream of decisions and actions. He defines strategy as a plan, ploy, pattern, position, and perspective. Strategy as a plan is some form of consciously intended course of action which is created ahead of events. Strategy as a ploy is a maneuver to outwit an opponent. Strategy as a pattern is a pattern that emerges in a stream of actions. Strategy as a position is about positioning the organization in order to achieve or maintain a sustainable competitive advantage. Strategy as a perspective, considers strategy as a somewhat abstract concept that exists primarily in people's minds (Burnes, 2000.)

By the concept of strategy, we mean its content and substance. Hax and Majluf (1996) have presented strategy as a multidimensional concept that embraces all the critical activities of the firm, providing it with a sense of unity, direction, and purposes, as well as facilitating the necessary changes induced by its environment. They provide a unified definition of the concept of strategy as: a means of establishing the organizational purpose in terms of its long-term objectives, action programs, and resource allocation; a definition of the competitive domain of the firm; a response to external opportunities and threats, and internal strengths and weaknesses, in order to achieve a sustainable competitive advantage; a way to define managerial tasks with corporate, business, and functional perspectives; a coherent, unifying, and integrative pattern of decisions; a definition of the economic and non-economic contribution the firm intends to make to its stakeholders; an expression of strategic intent: stretching the organization; a means to develop the core competencies of the organization; and as a means of investing in tangible and intangible resources to develop the capabilities that assure a sustainable advantage.

2.2. Strategic Planning Process

The substance of strategy cannot be separated from the process of strategy making in any actual organizational setting. The strategic planning process is a disciplined and well defined organizational effort aimed at the complete specification of a firm's strategy and the assignment of responsibility for its execution (Hax & Majluf, 1996). There are 5 tasks that are envisaged in the strategic planning process. These are developing a concept of the business and forming a vision of where the organization needs to be headed; translating the

mission into specific long range and short range performance objectives; crafting a strategy that fits the organization's situation and that should produce the targeted performance; implementing and executing the chosen strategy efficiently and effectively; and evaluating performance, reviewing the situation and initiating corrective adjustments (Thompson & Strickland, 1992).

2.3 Strategy Implementation

The strategic management process does not end when the firm decides what strategy or strategies to pursue. Once the course of strategy has been charted the managers' priorities move towards converting the strategic plan into action and good results. Putting strategy into action is seen as an extension of the planning process: a strategy is first formulated and then it is implemented (Johnson & Scholes, 2003). One of the conventions that has led both scholars and practitioners of strategic management is the idea that there is a distinction between strategy formulation and strategy implementation. The convention holds that the formulation of strategy is based on identification of the organization's goals and the rational analysis of its external environment and internal resources and capabilities (Grant, 2000).

Once a company has chosen a strategy to achieve its goals, that strategy then has to be put into action by selecting appropriate organizational structure and managing its execution through tailoring the management systems of the organization to the requirements of the strategy (Hill & Jones, 2001). Putting strategy into place and getting individual and organizational subunits to execute their part of the strategic plan successfully is essentially an administrative task (Thompson & Strickland, 1992).

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 (Pearce and Robinson, 2003). It is viewed by Thompson and Strickland (1989), as acting on what has to be done internally to put the chosen (formulated) strategy into place and achieve the targeted results. Hunger and Wheelen (1995), see it as the process by which management translates strategies and policies into action through the development of programs, budgets, and procedures. This process might

involve changes within the overall culture, structure, and/or the management system of the organization. Its purpose is to complete the transition from strategic planning to strategic management by incorporating adopted strategies throughout the relevant system (Bryson, 1995).

Strategy implementation includes considerations of who will be responsible for strategy implementation; the most suitable organizational structure that should support the implementation of strategy (Pettigrew, 1988; Lynch,2000); the need to adapt the systems used to manage the organization (Johnson and Scholes,2002); the key tasks to be carried out and desirable changes in the resource mix of the organization as well as the mandate of each department in the organization and the information systems to be put in place to monitor progress and resource planning (Pearce and Robinson, 1997). Implementation may also take into account the need for retraining the workforce and management of change (Johnson and Scholes,2002).

Successful strategy implementation depends in part on the organization's structure. Further, the strategic plan has to be institutionalized, or incorporated into a system of values, norms, that will help shape employee behavior, making it easier to reach strategic goals. Strategy must also be operationalized, or translated into specific policies, procedures, and rules that will guide planning and decision making by managers and employees (Stoner et al, 2001). Thus an organization would have to build an organization capability of carrying out the strategic plan; develop strategy supportive budgets, and programs; instill a strong organizational commitment both to organizational objectives, and the chosen strategy; link the motivation and reward structure directly to achieving the targeted results; create an organization, culture and a working environment that is in tune with strategy; install policies and procedures that facilitates strategy implementation; develop an information and reporting system to track progress and monitor performance; and exert the internal leadership needed to drive implementation forward and to keep improving on how the strategy is being executed (Thompson & Strickland, 1993). Factors such as culture, organizational structure, and aspects of operational execution are vital to the success of strategy implementation.

2.4 Challenges of Strategy Implementation

Considering that faulty implementation can make a sound strategic decision ineffective and a skilled implementation can make a debatable choice successful, it is important to examine the process of implementation (Andrew, 1987). Strategy implementation is critical to success. Implementation represents a disciplined process or a logical set of connected activities that enables an organization to take a strategy and make it work. Without a carefully planned approach to implementation, strategic goals cannot be attained. Developing such a logical approach, however, represents a real challenge to the management. A host of factors, including politics, inertia, resistance to change, routinely can get in the way of strategy implementation. It is apparent that making strategy to work is more difficult than strategy formulation (Hrebiniak, 2005).

Challenges that occur during the implementation process of a strategy are an important area of research because even the best strategy would be ineffective if not implemented successfully. Despite the fact that challenges to successful strategy implementation have not been widely investigated, there are some issues that have surfaced in many studies (Muthuiya, 2004). Over 15 years ago, Alexander (as in Al-Ghamdi,1998) claimed that the overwhelming majority of the literature has been on the formulation side of the strategy and only lip service has been given to the implementation side. There are many organizational characteristics that act as challenges to strategy implementation. Such are structure, culture, leadership, policies, reward, and ownership of the strategy (Burnes, 2000). These challenges are of both institutional and operational nature.

2.4.1 Institutional Challenges

Awino (2001) identified four problem areas affecting successful strategy implementation: Lack of fit between strategy and structure; inadequate information and communication systems; and Failure to impart new skills. Koske (2003) observes that there are many organizational characteristics, which act to constrain strategy implementation. He identified most challenges as concerning: Connecting strategy formulation to implementation; Resource allocation; Match between structure with strategy; Linking performance and pay to strategies; and Creating a strategy-supportive culture.

Organizational structure imposes certain boundaries of rationality, but is necessary due to the individual's limited cognitive capabilities (March and Simon, 1958). Changes in strategy often call for changes in the way an organization is structured. This is because, when an organization changes its strategy, the existing organizational structure may be ineffective (Wendy, 1997).

Miller and Colleagues (1988) points out that there is an intrinsic association between strategy making and structure. The structure of an organization importantly influences the flow of information and the context and nature of human interaction. It channels collaboration, specifies modes of coordination, allocates power and responsibility, and prescribes levels of formality and complexity. The underlying argument that relates structural conditions to the strategic problem is the way an organization perceives and processes information particularly strategic stimuli (Galbraith and Merrill, 1991). Chandler (1962) hypothesized that structure is determined by strategy, and correspondingly that the successful implementation of a strategy can be aided by the adoption of an appropriate organizational structure.

An organizational structure is a firm's formal role configuration, procedures governance and control mechanism, and authority and decision making process. All firms require some form of structure to implement their strategy. Structure dictates how policies and objectives are established. Resources allocation of an organization is dependant on the kind of structure an organization has. There is no one optimal organizational design or structure for a given strategy or type of an organization (David, 1997; Pearce and Robinson, 2002).

2.4.2 Social Cultural Aspects

Individual behavior and attitudes can be an impediment to strategy implementation. Therefore effective actions must address and consider behaviors, attitudes and values of the people in the organization

2.4.3 Engagement of all Stakeholders

It is important to involve all stakeholders in strategy implementation to ensure its success.

2.4.4 Leadership

Thompson Strickland (1998) observe that the ideal leadership outcome is for senior management to proactively develop new competencies and capabilities to complement the company's existing resource base and promote more proficient strategy execution, " Weak leadership can wreck the soundest strategy, forceful execution of every a poor plan can often bring victory " (Sun Zi, Golbal Aids Fund). Management plays a crucial role in strategy implementation as they are the embodiment of the mission and vision of the organization. If not committed, it is unlikely that such policies will receive the support that they require from the rest of the organization. Successful workplace policy strategies need commitment from the top management to motivate action and buy in from all levels of staff.

The importance of leadership in strategy implementation highlights the fact that a leader should be at the fore-front in strategy execution, this point cannot be over emphasized, argues Arthur and Strickland (1989), for he/ she is the spark plug of the organization, the coach of others, motivator, consensus builder among many other attributes alluded to the leader .

2.4.5 Organizational politics / Commitment

Thompson & Strickland (1998) argue that company politics present strategy leaders with the challenge of building consensus for the strategy and its subsequent implementation, effective formulation and implementation can not be done without being perceptive of organizational politics and internal political maneuvering. Politics plays a big role in strategy implementation, hence it is of paramount importance for those charged with the task of executing strategy to understand politics and know how to deal with it appropriately. Thompson et al (1992) note that to understand political dimensions and ability to maneuver are important elements in strategy implementation. To have people buy into the strategy and secure their commitment is crucial. They argue that commitment is an individual's psychological bond to the organization. Once such commitment is achieved then it's easy to buy-in, hence supportive participation in the implementation process.

2.4.6 Resources

The resource of an organization includes its human resource skills, the investment and capital in every part of the organization. Implementation of any strategy requires a substantial amount of organizational resources of which many other projects within the organization are competing for. Therefore resource constraints can be a real challenge to strategy implementation, argues Edelman (1997). According to the UK consortium (2003), ensuring adequate resource support is essential for implementation. Thompson et al (1992) note that the human resource element plays a big role in the design and administration of strategic plans. Their use as a "strategic weapon" to gain competitive advantage is essential together with adequate allocation of material resources to facilitate successful implementation.

2.4.7 Communication

Heinz and Harold (1993), argue that communication is the means by which people are linked together in an organization to achieve a common purpose, communication is important to effect change, to influence action, and is essential for internal functioning as it integrates the managerial functions. Communication is important in setting out and agreeing on clear guidelines with the implementers. This is to ensure all involved understand what is expected of them, allow any confusion, or ambiguity to be resolved, ensure that the organization is properly coordinated.

2.5 Madison Insurance Documented Strategies

Corporate goals derived from various departmental plans were;

- To maximize the value of the firm.
- Invest strategically to maximize returns.
- To develop and grow new business in the Kenyan and regional markets.
- Make insurance available to every Kenyan
- Reduction of management costs.
- Improve work processes / systems and create performance benchmarks.
- Enhance intermediary and client relationships
- Improve on the quality of service offered to clients

- Increase the customer base
- Develop new products for both the existing and new markets
- Strengthen its performance in sales through addition of Information technology tools.
- Ensure that top management is committed and conversant with marketing functions.

In order to implement the stated corporate goals, the company came up with various departmental strategies to enable smooth implementation of the grand strategies. They include;

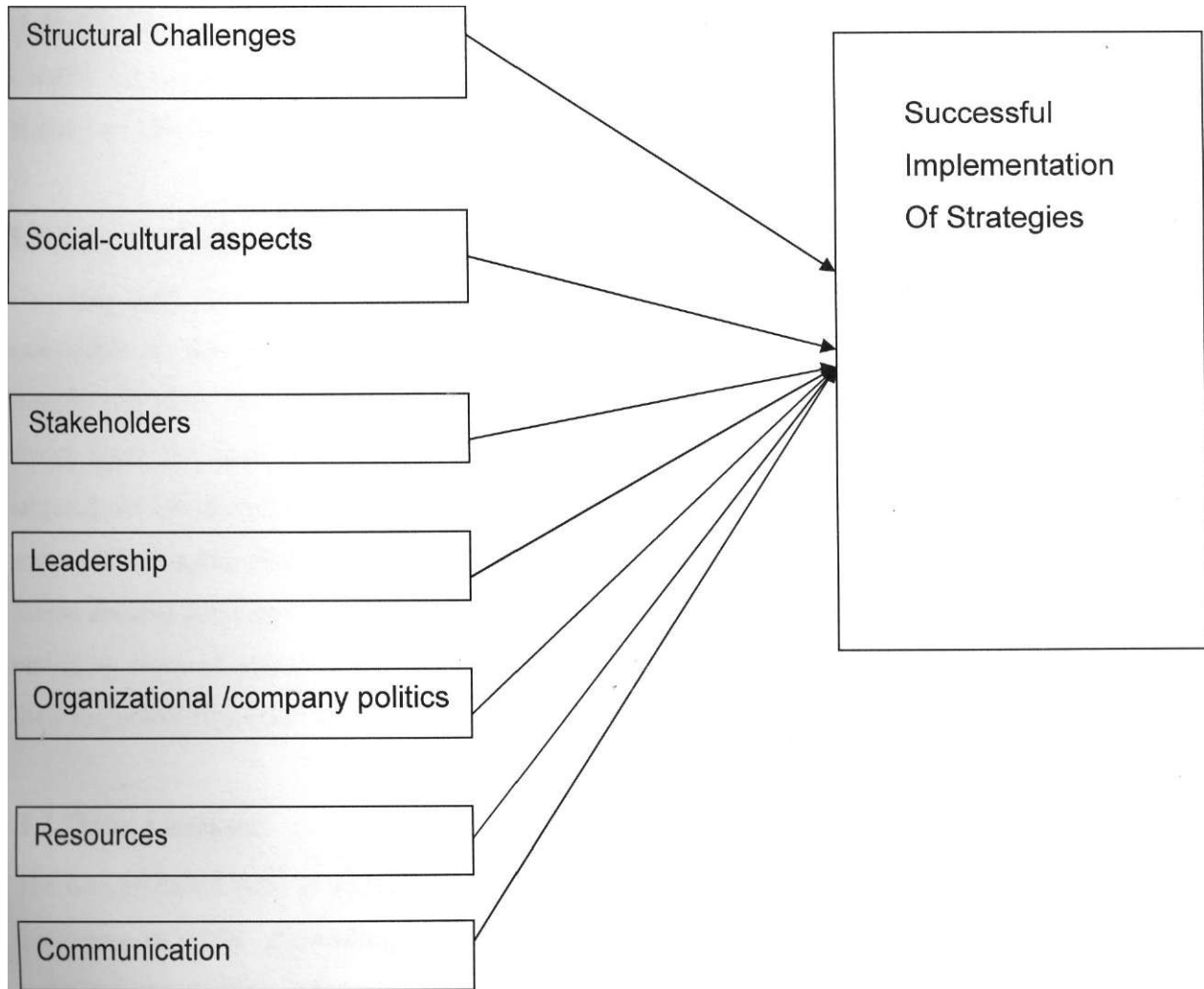
- To ensure that it adopts a professional approach in all its business management processes.
- Employ trained and retrain the best professionals in the industry.
- Upgrade its image by the adoption of a new company logo, vision and mission statement.
- Strengthen its sales force through the use of Information technology tools.
- Ensure that top management is committed and conversant with marketing functions.

IG

CONCEPTUAL FRAMEWORK

INDEPENDENT VARIABLES

DEPENDENT VARIABLES



SOURCE: Author

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research design

This study was conducted through a case study design. It involved an in-depth investigation of the phenomenon of challenges to strategy implementation at Madison Insurance Company Limited. This research design has been successfully used by similar studies (Koske, 2003; Muthuiya, 2004, Machuki, 2005, Wambugu, 2006).

3.2 Data Collection

The study used primary data that was collected by way of personal interview (face to face and telephone) guided by an interview guide consisting of open-ended questions. The guide was developed in line with the objective of the study. The respondents of this study were drawn from Divisional and Departmental levels. Branch and Regional managers were also targeted. At Divisional level, two (2) managers were involved while at Departmental level, seven (7) managers were involved. Fourteen (14) Branch Managers and three (3) Regional Managers also participated in the study. The respondents are considered to be better placed in providing required data because they are involved in the strategy implementation process in their respective functional areas.

3.3 Data Analysis

The data collected were analyzed by use of content analysis due to the fact that the data was qualitative in nature. According to Nachmias and Nachmias (1996), content analysis is a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same to relate trends. This type of analysis does not restrict respondents on answers and has potential of generating more information with much detail

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

The study intended to achieve one objective: to determine the challenges to strategy implementation at Madison Insurance Company Limited. The collected data has been analyzed and interpreted in line with this objective using content analysis. This involves the analysis of meanings and implications emanating from respondents' information coupled with documented data regarding strategy implementation. This chapter presents the findings of the study with regard to the objective and discussions of the same under the major thematic objective and various sub themes. The respondents in this study were drawn from various levels of management at Madison Insurance Limited: divisional, departmental, branch and regional levels. They have been involved in the implementation of strategies in the company.

4.2 Strategic Planning at Madison Insurance Company Limited

The company has spelt out in its Strategic Direction/Plan the major strategic thrusts and action plans formulated for each specific division and/or department to pursue. The plan provides broad guidelines from which each division/branch/department/regional office draws its semi-autonomous plan and action plan which, upon implementation leads to the attainment of the overall company objectives and goals.

To achieve the objective of the study, it was considered plausible to seek views from the respondents regarding a number of strategy formulation and implementation aspects. Key among them with regard to who is responsible for the formulation of strategy at MICK, the planning period i.e. the period covered by a strategic plan, ways of strategy implementation adopted by the company, whether in their opinion, the strategy was successfully implemented. The study also sought to establish how often the company reviews its strategic plan.

The study established that the company adopts a formal strategic planning process which involves members of the top management team and the board of directors. The top

management team, according to the respondents comprises of divisional and corporate level management. In some circumstances, it was established that branch managers, department heads and regional managers were involved in developing the strategic plan but their participation was limited to the development of their respective annual action plans. Further still, respondents indicated that functional and line managers were actively involved in the formulation of MICK's strategy, the outcome of which is shared with line and functional managers at branch and regional levels for purposes of clarity and drawing annual plans.

Closely related to the above findings was the issue of the planning period. The study found out that the formality adopted by the company in its strategic planning resulted into a strategy document- the strategic plan, whose time horizon is five (5) years. It was however noted that respondents confused the strategic plan time horizon and the tactical plan horizon. This resulted into some respondents indicating that the planning period one year and others indicating three (3) years. Because of this confusion, the researcher sought clarity on the issue by way of perusing through a copy of the strategic plan of the company, which confirmed the period to be five (5) years. Further study of the strategic plan revealed that the three years period indicated by some of the respondents time limits for the achievement of particular milestones.

With regard to strategy implementation, it was established that Madison Insurance Company Limited adopted various ways in its strategy implementation efforts. These include introducing new products, undertaking culture change, carrying out training, undertaking job rotation, recruiting new staff, restructuring the organization design, increasing sales budgets, merging of some business functions and creating new departments e.g. the establishment of customer service and actuarial departments, outsourcing of non core services, office refurbishments, and carrying out re-branding. From the findings of the study it was revealed that most of the strategy implementation practices involved the introduction of new ways of doing things at MICK. These changes, according to the respondents, were utterly necessary in order to reflect the reality of the changing circumstances in which the company is operating.

Successful implementation of strategies require that there is continuous monitoring, evaluation, and control of the process in order to undertake any corrective action to keep the organization on track. The study intended to establish whether MICK undertakes reviews and how often this is done. The study established that review of the strategy and coming up with corrective actions is carried out on areas that can be measured in the short term, monthly basis and annually for the rest. The findings of the study revealed that most of the reviews in the company are undertaken monthly and then quarterly. Semi annual and annual reviews are done but based on the monthly and quarterly reviews. The respondents indicated that the reviews are necessitated by the changing business environment, more especially on the competitive front. The reviews that are undertaken are based on different parameters. These include performance and shareholders' expectations. Respondents were, however, quick to point out that the reviews that are undertaken are not structured more especially the evaluation aspect. This means that there were no objectively developed tools, criteria, procedures to guide the strategy evaluation process at the company.

4.3 Challenges to Strategy Implementation

The main objective of this study was to determine the challenges to strategy implementation at Madison Insurance Company of Kenya Limited. It was noted that even though the company had developed strategies that, upon implementation, would position the company competitively within the dynamic operating environment, the respondents pointed out a number of challenges to the strategy implementation process. The challenges were pointed out despite the top management team and middle level management level constituting of managers with long outstanding experience, unquestionable professional skills in their respective areas coupled with a high degree of commitment towards efficient and effective strategy implementation. These challenges range from institutional to behavioral, internal and external to the organization.

The study established that some aspects of organizational culture and structure, high degree of staff turnover, ineffective communication, inadequate resources, skills, resistance to change, lack of team work, and a very competitive business environment among others as the challenges to strategy implementation at MICK. Organizational culture is the company's way

of doing things. It constitutes norms, values and beliefs that are held over time in the course of doing business. The match between strategy and culture is crucial for successful implementation of the strategy. The respondents indicated that such a match was largely missing at MICK and therefore successful strategy implementation was far from being attained. It was established that the cultural challenges emanate from aspects of the company's organizational structure. That is, the organization has a vertical organizational structure which breeds the bureaucratic culture. This kind of structure has made it difficult to make decisions that require urgency because of the centralized decision making.

Organizational design defines the roles, responsibilities, boundaries, processes and procedures, and relationships of the various positions. The hierarchical structure at MICK defines reporting procedure, which has proved to be unnecessarily long and time consuming hence slowing down the decision making process. The structure also breeds a lack of line authority where decisions to be made by one or few office holders are constrained yet it is perceived that such decisions ought to originate from such office(s). Such lack of line authority has led to some line managers deviating from their functions and as a result stumble on others' toes. All these structural design issues stand on the way of successful strategy implementation.

Implementation of strategies requires not only adequate staff but also competent staff for success to be realized. High degree of staff and agent turnover was identified as a challenging phenomenon in MICK's strategy implementation efforts. This was attributed to intense poaching of employees in the industry and also lack of motivational programmes to retain competent staff in the company.

The study also established that ineffective communication has hampered strategy implementation at the company. Respondents indicated that there were no well defined channels of communication to all employees both within the headquarters and branch level on what is expected of them. Worse still, it was pointed out that some employees are largely unaware of the organization's strategy. Further, the respondents noted that most employees

do not own the strategy because no efforts were made to involve them during strategy formulation, not even seeking their views of the best way forward.

Effective implementation of strategies requires that an organization avails adequate resources necessary to undertake the various activities in order to implement strategy. The study established that lack of adequate resources was a challenge in the implementation of strategy at MICK. Respondents were quick to note that there was no match between the various activities to be undertaken to implement a strategy and the amount of money allocated for those activities. This problem was found to be more pronounced at branch levels where respondents pointed out that the corporate headquarters controls the allocation of resources and any requests made for adequate allocation are accorded minimum consideration.

The lack of adequate resources was linked to lack of adequate skills because part and parcel why the company was experiencing high employee and agent turnover was because of inadequate compensation for the work done. Therefore, respondents blamed all other behavioral challenges like resistance to change due to lack of motivation on the side of employees. The lack of motivation was also linked to lack of a reward system that recognizes and awards employee commitment to the organization.

Other challenges that were pointed out, include severe competition in the market; lack of team work, implementation taking longer time than originally allocated; and major obstacles surfacing during implementation. Rivalry among the existing players in the industry is a phenomenon that the research noted to pose enormous challenges to the divisions as they strive to attain their stated objectives and goals. To introduce a new product in the market and gain acceptance coupled with the complexity of the customer for some product, prove very challenging. Respondents also pointed out that some policies were a stumbling block towards effective strategy implementation because they were archaic and could not be supportive of new ways of doing things at MICK.

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

Strategy implementation is concerned with both planning how the choice of strategy is put into effect, and managing the change required. In this process, it is laden with complexity and challenges. The objective of this study was to determine challenges to strategy implementation at Madison Insurance Company of Kenya Limited. This chapter presents the conclusions and summary drawn from the findings. The chapter also highlights the limitations of the study, and suggestions for further research.

5.2 Summary

In a bid to achieve the study objective, the study first set out to understand the strategic planning process at MICK. It was established that the company has spelt out in its Strategic Direction/Plan the major strategic thrusts and action plans formulated for each specific division and/or department to pursue. The plan provides broad guidelines from which each division/branch/department/regional office draws its semi-autonomous plan and action plan which, upon implementation leads to the attainment of the overall company objectives and goals.

The study established that the company adopts a formal strategic planning process which involves members of the top management team and the board of directors. In some circumstances, it was established that branch managers, department heads and regional managers were involved in developing the strategic plan but their participation was limited to the development of their respective annual action plans. The study found out that the formality adopted by the company in its strategic planning resulted into a strategy document-the strategic plan, whose time horizon is five (5) years. With regard to strategy implementation, it was established that Madison Insurance Company Limited adopted various ways in its strategy implementation efforts. These include introducing new products, undertaking culture change, **and** carrying out training among others.

The study established that review of the strategy and coming up with corrective actions is carried out on areas that can be measured in the short term, monthly basis and annually for the rest. The findings revealed that most of the reviews in the company are undertaken monthly and then quarterly. Semi annual and annual reviews are done but based on the monthly and quarterly reviews.

It was noted that even though the company had developed strategies that, upon implementation, would position the company competitively within the dynamic operating environment, the respondents pointed out a number of challenges to the strategy implementation process. The challenges were found to range from institutional to behavioral, internal and external to the organization. The study established that some aspects of organizational culture and structure, high degree of staff turnover, ineffective communication, inadequate resources, skills, resistance to change, lack of team work, and a very competitive business environment among others as the challenges to strategy implementation at MICK.

5.3 Conclusions

The findings of the study have shed adequate light to draw pertinent conclusions about challenges to strategy implementation at Madison Insurance Company of Kenya Limited. Through a formal strategic planning process, the company has a Strategic Direction/Plan where major strategic thrusts have been outlined to guide roles to be played by the various divisions/departments/branches/regional offices in strategy implementation. It was established that the strategic process in the company entails the process of strategy formulation, implementation, evaluation and control. The top management, branch and regional managers, and departmental heads are responsible in the strategy formulation process in the company. It can therefore be concluded that for the most part the process is participatory.

It was established that the company uses different ways to ensure that strategy is implemented. Most of the approaches adopted were change-oriented. However, a number of challenges to strategy implement were identified. The challenges range from institutional to

behavioral, internal and external to the organization. The study findings lead to the conclusion that even though there were efforts to implement and execute strategies at Madison Insurance Company of Kenya Limited, the company encountered a number of challenges in the implementation of its strategies, a phenomenon which makes the company not to gain optimally from the investment in the strategic plan.

5.4 Recommendations

For Madison Insurance Company (K) to implement its documented strategies effectively, it is recommended that the company takes a look at its failures and obstacles and then change course. The company should consider taking appropriate measures in order to mitigate the challenges it faces.

On training, the company has to realize that successful strategy implementation is only possible if the people involved have the right and relevant skills. Training should therefore be frequent, content oriented and adequate enough. It is imperative that an analysis be done to establish the type, amount and length of training required. Knowledge is power and therefore, the management needs to get training that will keep them updated on new developments in the management arena. Thorough training will empower managers and implementers of strategy.

On cultural challenges, the company should recognize the fact that when a company's culture is out of sync with what is needed for strategic success, the culture has to be changed as rapidly as can be managed. Successful culture changes have to be led by top management; it is a task that can not be delegated to others. What organizational leaders say and do, plant the seeds of culture change. Only top management has the power and organizational influence to bring about major change in a company's culture.

On resources, all strategies should be linked to a budget and the budget used as a tool for control and resource allocation. The resources needed for successful implementation of strategies should be readily availed. These range from financial, material, to human

resources. Resources should be allocated according to key issues and priorities identified in the company.

On staff motivation, Madison Insurance Company (K) should recognize the fact that this is one of the greatest challenges to strategy implementation and the company should employ motivational techniques that build wholehearted commitment and winning attitudes among employees. The management should ensure employees buy into the strategies and commit to making them work, encourage teamwork in order to facilitate the exchange of ideas and foster a climate of support, the company should involve the employees in the decision making process and the working environment should be made more interesting and satisfying and the company's whole work climate engaging and fun. The company should devise a scheme that recognizes the growth of its organizational members.(Machuki,2005)

Madison Insurance Company (K) should also use the reward system of the company whose role is to align the wellbeing of the organization members, with realizing the company's vision, so that the organization members benefit by helping the company execute its strategy competently. If properly designed, the reward system is management's most powerful tool for mobilizing organizational support and commitment to successful strategy execution.

Madison Insurance Company (K) should consider involving all the staff and stakeholders in the formulation of the strategies. All the staff and especially those in the implementation levels should be fully involved in the strategy development so that they can fully own them. Involving everyone during strategy formulation and development, will also ensure that all critical issues are considered.

Finally, the study points out that there is a communication problem and therefore the company should include a communication plan in its strategy implementation plan. Communication should be ongoing to reduce uncertainty and help all staff understand strategy.

5.5 Limitations

The findings of this study should be interpreted within the limitations of the study. First and foremost, there are limitations of measurement, which are common to social researches. Respondents' perceptions may change over time and across different personalities. Also respondents may give biased or dishonest answers.

Secondly, the study was constrained with time on the part of the respondents. The interviews were not as exhaustive as was envisioned due to respondents' busy schedules that allowed minimum time with respondents during interviews. This did not provide opportunities for further probing.

5.6 Suggestions for Further Research

Due to limitations in time, the study did not involve all the management team and employees of the organization to obtain data. It is therefore suggested that, with regard to further research, a study to be conducted to investigate into aspects of employee involvement in strategy formulation and their perceptions on challenges to strategy implementation at the company.

REFERENCES

- Aaltonen, P. and Ikavalko, H (2001): **Implementing strategies successfully**. 12th Ed. World productivity Congress.
- Aaltonen, P. and Ikavalko, H (2001): "Implementing strategies successfully". **Integrated Manufacturing systems**. Vol. 13 No. 6 pp. 415-8
- Ackoff, H.I, (1965). **Corporate Strategy**, McGraw Hill.
- Alexander, L.D., (1985). '**Successfully Implementing Strategic Decisions**', Long Range 18(3).
- Andrews, K.R., (1987). **The Concept of Corporate Strategy**, 3rd Edition, Irwin.
- Ansoff, I. And Mc Donnell, E. (1990): **Implementing strategic Management**, 2nd Ed. Prentice Hall.
- Ansoff, I.,(1968). **Corporate Strategy**, Penguin.
- Aosa, E. (1992): "An empirical investigation of Aspects of strategy Formulation and Implementation within Large, private manufacturing Companies in Kenya':(Unpublished PhD Thesis).
- Awino, Z, (2001): " Effectiveness and problems of strategy implementation of Financing higher education in Kenya by the Higher education Loans Board': (Unpublished MBA Dissertation), University of Nairobi. Nairobi, Kenya.
- Banerjee B.P., (1999). **Corporate Strategies**, Oxford University Press.

- Bartol, K. M. , & Martin, D.C., (1991). **Management**, McGraw-Hill
- Bateman, T. S. & Zeithaml, C.P., (1990). **Management Function and Strategy**, Irwin.
- Bourgeois, L.J. & Brodwin, D. R.,(1983). "Putting Your Strategy into Action' , **Strategic Managemnet Planning**.
- Bruns, W.J., Waterhouse, J.H. (1975), **Budgetary control and organizational structure**, Journal of Accounting Research, Vol. 13 pp. 177-203,
- Burnes, B., (2000). **Managing Change A Strategic Approach to Organizational Dynamics**, 3rd Edition, Prentice- Hall
- Byars L.L., (1991). **Strategic Management: Formulation and Implementation, Concepts and Cases**, 3rd Edition, Harper Collins Publishers.
- Chandler, A. D., (1962). ' **Strategy and Structure** ' , MIT Press, Cambridge, Mass.
- Clarke, L., (1994).**The Essence of change**. Prentice Hall: London.
- Cooper, D. R., & Schindler, P.S., **Business Research Methods**, 8th Edition McGraw- Hill
- Cooper, D.R, Schindler, P. S. (2000), **Business Research Methods**, 7th Edition, NY McGraw-Hill,
- Cope, R. G., (1989). **High Involvement Strategic Planning: When People and their Ideas Matter**, Basil Blackwell.
- David F.R., (1997). **Strategic Management**, 6th Edition, Prentice Hall.

David, F., (1980). **Strategic Management**, (Active Book)

Dawson, P., (1994). **Organizational Change: A Processual Approach**, Paul Chapman Publishing, London.

Donnelly, J.h. & Ivancevich, J.M., (1992). **Fundamentals of Management**, 8th Edition, Irwin.

Fraenkel, W. & Wallen, K. (1993). **Determining the Reliability of Research Instruments**. New York: Oxford University Press,

France, D, Jarvis, R.L. (1996), **Quick starts for new employees, Training and Development**, American Society for Training and Development, Alexandria, VA, Vol. 50 No. 10, pp.47-50,

Gluck, F. W., (1985). '**A Fresh Look at Strategic Management**', **Journal of Business Strategy**, Fall pp. 4-19

Grant, R. M., (2000). **Contemporary Strategy Analysis: Concept, Techniques, Applications**, 3rd Edition, Blackwell Publishers Inc.

Grundy, T., (1995). **Breakthrough Strategies for Growth**, Prentice Hall.

Hall, D & Saias, M. A., (1980). 'Strategy follows Structure', **Strategic Management Journal**, Vol. 1 no. 2 pp. 149-163

Hax, A. C. & Majluf N. S., (1996). **The Strategy Concept and Process: A Pragmatic Approach**, 2nd Edition, Prentice Hall.

Hill, C. W. L. & Jones, G. R., (2001). **Strategic Management Theory: An integrated Approach**, 5th Edition, Houghton Mufflin.

Hrebiniak, L., (2005) ' **Business Strategy: Execution is the Key**', January 21.

Hrebiniak, L.G., & Joyce W. F., (1984). **Implementing Strategy**, Macmillan Publishing Co.,

Judson, A.S., (1996). **Making Strategy Happen**, 2nd Edition, Blackwell

Machuki, V. (2005): "**Challenges to strategy implementation at CMC Motors Group Limited**": (Unpublished MBA Dissertation), University of Nairobi. Nairobi, Kenya.

APPENDIXES

APPENDIX 1: LETTER TO RESPONDENTS

September, 2008

**Christine Ronga
D61/P/8668/2005
MBA Student, School Of Business
University Of Nairobi**

Dear Sir/ Madam,

RE: REQUEST FOR RESEARCH DATA

I am a post graduate student in the School of Business, University of Nairobi pursuing Master of Business Administration in Strategic Management.

In partial fulfillment of the course, I am conducting a research project titled "**Challenges to Strategy Implementation at Madison insurance company (k) limited.**"

This is to kindly request you to assist me by responding to the attached interview guide. The information you provide will be used exclusively for academic purposes.

My supervisor and I assure you that the information you will give will be treated with strict confidence and at no time will your name appear in my report. A copy of the final paper will be availed to you upon request. Your co-operation will be highly appreciated.

Sincerely,

Christine Ronga

MBA Student

Dr. Yabs

Supervisor

APPENDIX 2:INTERVIEW GUIDE

1. Who formulates strategies at Madison Insurance Company? How many years do the strategies cover?
2. What role do you play in MICK's strategic planning process?
3. Does your division/branch/department/regional office have an annual work plan/strategic plan that it always refers to when planning to execute its activities?
4. Is the senior management team of the company in the forefront in providing leadership to enable strategy implementation?
5. How would you describe the support of the management staff in terms of their skills towards enabling successful strategy implementation?
6. What will you comment on the current company structure in terms of its support of the strategy implementation process?
7. What will you comment on the current company policies in terms of their support of the strategy implementation process?
8. What will you comment on the overall company culture in terms of its support for strategy implementation?

9. In your view, how effective is communication of accountability and responsibility of strategy implementation to all MICK employees?

10. Do you find the resources allocated to your division/department/branch/regional office adequate for successful implementation of the division's/department's/branch's/regional office's strategies?

11. As a division/branch/department/regional office, what specific action plans do you put in place so as to implement the overall company strategy?

12. As a division/branch/department/regional office, what challenges do you face in implementing both the divisional and overall company strategy?

13. How often does Madison Insurance Company Limited as a whole review its strategic plan?

UNIVERSITY OF Ni.rrvt^
tOWER KA ABB' TE LIBRARY

APPENDIX 3: MAP OF MADISON HEAD OFFICE AND BRANCHES

Distribution Network of Head Office and 14 Branches

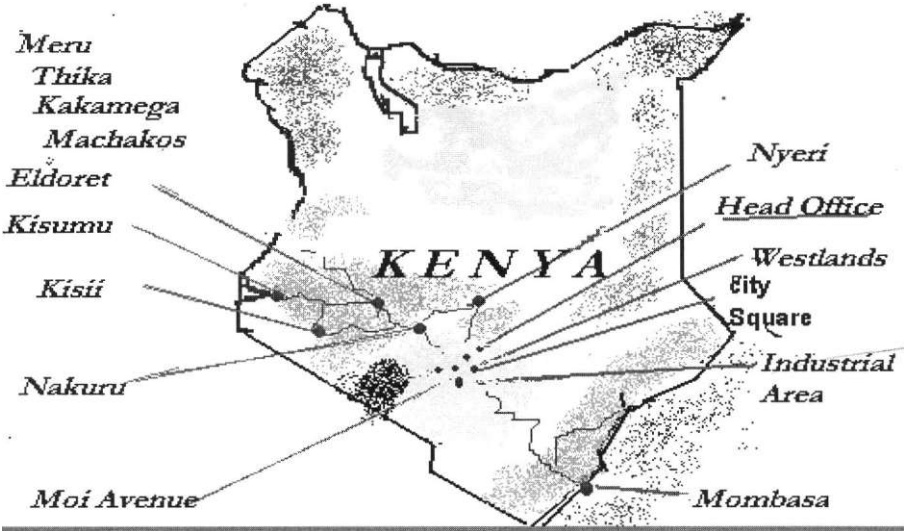


Figure 2: Source, MICK records