STRATEGY IMPLEMENTATION AND ITS CHALLENGES IN NON PROFIT ORGANIZATIONS IN KENYA: THE CASE OF AFRICAN MEDICAL AND RESEARCH FOUNDATION - KENYA

BY

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This research project is submitted in partial fulfillment for the award of Master of Business Administration (MBA) degree of the University of Nairobi, Faculty of Commerce.

NOVEMBER 2004
DECLARATION

This research project is my original work and has not been submitted for a degree in 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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Dr. Martin Ogutu

Date: 13/11/2004
DEDICATION

This Research work is dedicated to the Lord Almighty who has continuously guided me in all my endeavors.
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ABBREVIATIONS USED

AMREF Kenya  African Medical and Research Foundation Kenya
KCP  Kenya Country Programme
SMT  Senior Management Team
M&E  Monitoring and Evaluation
TSO  Technical Support Office
HR  Human Resource
DCD  Deputy Country Director
SPM  Strategic Planning and Monitoring
HOP  Head of Programmes
IT  Information Technology
I have received help from so many quarters in the course of the research project and I'm deeply indebted to all those who in their own individual ways contributed either directly or indirectly to making this project a success.

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ABSTRACT

Strategy implementation is concerned with both planning how the choices of strategy will be put into effect, and managing the changes required. This process is fraught with complexity and challenges and many organizations create great plans for their future, but fail to implement the desired changes.

The study focuses on strategy implementation and its challenges in non-profit organizations in Kenya with special reference to AMREF - Kenya. The main interest was to find out how non-profits organizations implement their strategies and the challenges they faced in the implementation process. AMREF - Kenya formed the major source of data for this research.

This study is presented in five chapters and sections through which the researcher has tried to discuss the above issues. Quantitative as well as qualitative data analysis has been utilized. Summary tables containing mean scores, frequencies and percentages have been used extensively in presenting the findings of the study.

The major findings of the study were that AMREF - Kenya uses various methods in implementing its strategies. The study established that whilst the methods, that AMREF-Kenya uses to implements its strategies support its strategies, inadequate resources, advocate and supporters of strategic decisions having left during implementation, unsupportive organization culture and uncontrollable factors in the environment were major obstacles to successful strategy implementation in the organization.

The findings of this study should be understood and evaluated in light of the limitations of the study. This study is especially helpful to AMREF - Kenya and other similar organizations in Kenya. It should be particularly useful to the Directors and Managers of non-profit organizations whose responsibilities include formulating and implementing strategies.
1.1 Background

Organizations, whether for profit or non-profit have found it necessary in recent years to engage in strategic management process in order to achieve their corporate goals. The environments in which they operate have become not only increasingly uncertain but also more tightly interconnected. This requires a threefold response from these organizations. They are required to think strategically as never before, need to translate their insight into effective strategies to cope with their changed circumstances and lastly, to develop rationales necessary to lay the groundwork for adopting and implementing strategies in this ever changing environment (Bryson, 1995). According to Pearce & Robinson (1997), in order for the organizations to achieve their goals and objectives, it is necessary for them to adjust to their environment.

Strategies are a critical element in organizational functioning, but whereas most organizations have good strategies, successful strategy implementation remains a major challenge. The notion of strategy implementation might seem quite straightforward; a strategy is formulated and then implemented. In the contrary, transforming strategies into action is a far more complex, difficult and challenging undertaking and therefore not as straightforward as one would assume (Aaltonen & Ikavalko, 2001). Because implementation of strategies remains the greatest bottleneck, many organizations are not able to address their goals adequately.
Organizations today face major unpredictable changes that make strategy implementation more difficult and complex than in the past (Harvey, 1988). Holman (1999), writing on the importance of strategy implementation points out that 80% of organization directors believe that they have good strategies but only 14% believe they implement them well. Recent research (Mintzberg & Quins, 1991; David, 1997; Wang, 2000) also indicates that a considerable proportion (over 65%) of organizational strategies fail to get implemented effectively.

Researchers (Alexander, 1991; Giles, 1991; Aosa, 1992; Lares-Mankki, 1994; Galpin, 1998; Beer & Eisenstat, 2000; Koske, 2003) have revealed a number of problems in strategy implementation. These include weak management roles, lack of communication, lacking commitment to strategy, and unawareness or misunderstanding of the strategy. Other problems are unaligned organization systems structures and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities, and uncontrollable factors in the external environment.

This research focuses on “strategy implementation and its challenges” among non-profit organizations in Kenya with special reference to the African Medical and Research Foundation – Kenya (AMREF – Kenya). The non-profit sector plays a unique role in the Kenyan economy separate from the two other sectors, government and for-profit sector. The non-profit sector of an economy is important because they provide to the society certain goods and services that profit-making organizations cannot or will not provide (Hunder & Wheelen, 2002). However, the non-profit organizations now face greater challenges than ever before: increased competition for private support, shifting patterns of
public funding, and increased demand for services. Many non-profits organizations are therefore finding it difficult to maintain their financial stability.

The study was conducted through a case study of AMREF - Kenya. AMREF - Kenya is a non-profit organization and one of the largest health development organizations in Africa with almost 50 years experience in health development. Its mission is to empower disadvantaged people in Kenya to enjoy better health. Like most other non-profit organizations, AMREF - Kenya is striving to adjust itself in order to be competitive and to survive in a turbulent environment. It is being challenged today to do more with fewer resources, raise sufficient funds, provide more programmes and services while its resource base necessary to produce those results remain uncertain.

AMREF - Kenya formulated and documented in 2000 a number of strategies into a master plan (AMREF, 2000) that will position the organization well in the ever-changing non-profit world. The implementation process of the master plan started in 2001. AMREF - Kenya focuses on the three grand strategies of capacity building, operation research and advocacy in order to address the health development needs of the disadvantaged people in Kenya. The Human Resource, Organizational & Management support and Resource mobilization were identified as areas that needed to be strengthened to enable AMREF - Kenya to efficiently implement its strategic plan (AMREF Kenya Strategic Plan 2000 and Beyond). However, the implementation of this plan is moving albeit slowly (Ngatia, 2003). Constraints such as lack of focus and ability, slow acceptability of the new strategy by AMREF - Kenya stakeholders, lack of/poor investment and ineffective use of resources are
affecting the implementation process (APM, 2003; ATM, 2003), indicating that like others, the organization may be facing strategy implementation challenges.

1.2 Statement of the problem

Today, organizations in Kenya operate under increasingly competitive and an ever-changing environment. In order to survive and deliver services effectively, they require engaging in effective strategic management process. According to Kiruthi, 2001, “all organizations must grapple with the challenges of the changing environment in which they operate.”

Whereas strategic management process has been widely researched by management scholars in Kenya (Aosa, 1992; Kombo, 1993; Kangoro, 1998; Gekonge, 1999; Bwibo, 2000; Awino, 2001; Warsame, 2002; Koske, 2003), only a few studies (Aosa, 1992; Awino, 2001; Koske, 2003; Musyoki, 2003) have been done on the component of strategy implementation in Kenya, yet it is a critical aspect in organizational strategic management process. Also, most studies in strategic management in Kenya have dealt with for profit firms making their findings less useful to the non-profit sector context.

In general, strategy implementation in non-profit organizations has not received the same attention as the other components of strategic management and hence significant gaps exist in our knowledge, which the study aimed at bridging. In view of the fact that strategy implementation is a key component of strategic management process of non-profit organizations, increased research in this area to unveil problems associated with implementation of organizational strategies was important.
This study therefore sought to explore the strategy implementation and its challenges in non-profit organizations using AMREF – Kenya as a case study. More specifically, the study sought to answer the following questions:

1. How do non-profit organizations in Kenya implement their strategies?
2. What key challenges do non-profit organizations in Kenya face in implementing their strategies?

1.3 Objectives of the Study

The broad objective of this study was to examine the strategy implementation and its challenges among non-profit organizations in Kenya with reference to AMREF - Kenya. The specific objectives were to:

a) Find out how AMREF - Kenya implements its strategies spelt out in its master plan.

b) Identify key challenges encountered by AMREF - Kenya in implementing its organizational strategies.

1.4 Importance of the study

The findings from this study may go towards filling an existing information gap on “strategy implementation and its challenges in non-profit organizations in Kenya.” More specifically, it is envisaged that the study will:
1. Provide information to future scholars and researchers who might need to research on strategy implementation and its challenges in non-profit organizations.

2. Bridge the gap in knowledge on strategy implementation among non-profit organizations in Kenya and where necessary make recommendations for further research.

3. Provide vital information to facilitate non-profit organizations in Kenya to design appropriate methods geared towards improvement in their strategy implementation.

4. Inform stakeholders, donors, and other parties interested with the welfare of non-profit organizations.

5. Make recommendations on how to successfully implement strategies among non-profit organizations.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section reviews available literature on strategy implementation and its challenges. The review has been done from a general perspective owing to scarcity of literature that has focused directly on strategic activities among non-profit organizations.

2.2 The concept of strategy implementation

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 & Robinson, 2003). Its purpose is to complete the transition from strategic planning to strategic management by incorporating adopted strategies throughout the relevant system (Bryson, 1995).

Strategic management by itself is a process. Robins & Coulter (2002) defines it as "the process that encompasses strategic planning, implementation and evaluation." In their view, strategic management process is a way of considering, deciding, and realizing already formulated strategies. Strategy implementation, on the other hand, is concerned with both planning on how the choice of strategy can be put into effect, and managing the changes required (Wang, 2000).

Management issues to strategy implementation include establishing annual objectives, devising policies, allocating resources, altering an existing organization structure,
restructuring and re-engineering, revising reward and incentives plans, minimizing resistance to change, matching managers with strategy, developing a strategy supportive culture, developing an effective human resource function, and if necessary, downsizing (David, 2003).

According to Aosa (1992), once strategies have been developed, they need to be implemented; they are of no value unless they are effectively translated into action. However, poor implementation of an appropriate strategy may cause that strategy to fail (Kiruthi, 2001). An excellent implementation plan, will not only cause the success of an appropriate strategy, but can also rescue an inappropriate strategy (Hunger & Wheelen, 1994). Strategy implementation is therefore crucial to effective management (McCarthy et al, 1996)

The implementation process of a strategy typically impacts every part of the organization structure, from the biggest organizational unit to the smallest frontline work group (Thomson & Strickland, 1998). They point that every manager has to think through the question “what has to be done in my area to implement our part of strategic plan and what should I do to get these things accomplished?” All managers therefore become strategic implementers in their areas of authority and responsibility and all employees should be involved.

Aaltonen & Ikavalko (2001) argues that transforming strategies into action is a far more complex and difficult task. Similiarly, David (2003) points out that it is always more difficult to do something (strategy implementation) than to say you are going to do it
Implementation of strategy does not therefore automatically follow strategy formulation; it exhibits its own resistance, which can invalidate the planning efforts (Ansoff & McDonnell, 1990).

Clearly, the implementation of a strategy is not a straightforward process, as one would assume. Bryson (1995) asserts that the earlier steps in the strategic management process are designed to ensure as much as possible that adopted strategies and plans do not contain any major flaws, but it is almost inconceivable that some important difficulties will not arise as strategies are put into practice.

Alexander (1985) identifies inadequate planning and communication as two major obstacles to successful implementation of strategies. Thomson & Strickland (1998) states that strategy implementation challenge is to create a series of tight fits between strategy and the organization’s competences, capabilities and structure; between strategy and budgetary allocation; between strategy and policy; between strategy and internal support system; between strategy and the reward structure and; between strategy and the corporate culture.

However, the problems of strategy implementation relate to situations or processes that are unique to a particular organization even though some problems are common to all organizations. The key decision makers should therefore pay regular attention to the implementation process in order to focus attention on any difficulties and on how to address them.
2.3 Factors responsible for successful strategy implementation

Once strategies have been developed, they need to be implemented. Importantly, unless they are successfully implemented, the organization will not obtain desired results. Successful strategy implementation involves empowering others to act on doing all the things needed to put the strategy into place and to execute it proficiently (Thomson & Strickland, 1998). Bryson (1995) states that the most important outcome that leaders, managers and planners should aim from successful strategy implementation is real value added through goal achievement and increased stakeholders satisfaction. More than ever before, organizations have realized that successful strategy implementation depends on various factors. Aosa (1992) observed that strategy implementation is likely to be successful when congruence is achieved between several elements. Of particular importance includes; organization structure, culture, resource allocation, systems and leadership (Aosa, 1992; Hunger & Wheelen, 1994).

2.3.1 Structure

Organizational structure influences the types of strategy used by an organization. An organization structure simply means the formal framework by which jobs tasks are divided, grouped, and coordinated (Robins & Coulter, 2002). The structure of an organization helps people pull together in their activities that promote effective strategy implementation. The structure of the organization should be compatible with the chosen strategy and if there is incongruence, adjustments will be necessary either for the structure or the strategy itself (Koske, 2003). However, Mintzberg & Quinn (1991) argue that the central problem in structuring today is not the one on which most organization designers spend their time by
dividing up tasks. It is one of emphasis and coordination on how to make the whole thing work.

2.3.2 Culture

Organization's culture refers to the set of important assumptions (often unstated) that members of an organization share in common (Pearce & Ronson, 2002). Robbinns & Coulter (2002) on the other hand defines culture as a system of shared meaning and beliefs held by organizational members that determines, in large degree on how they act. An organization culture provides the social context in which an organization performs its work. It guides the organization’s members in decision making, determining how time and energy are invested, in deciding which options are looked on favourably from the start and which types of people are selected to work for the organization, and in particular everything else that is done in the organization (Goodstein, et al, 1992).

Culture affects not only the way managers behave within the organization but also the decisions they make about the organization’s relationships with its environment and its strategy (McCarthy et al, 1996). According to Thomson & Strickland (1989), it is the strategy implementer’s task to bring the corporate culture into alignment with the strategy and keep it there once a strategy is chosen. Culture can either be strength or a weakness. As strength, culture can facilitate communication, decision making, and control, and can create co-operation and commitment.

As a weakness, culture may obstruct the smooth implementation of strategy by creating resistance to change (Pearce & Robinson, 1988). Aosa (1992) stated that it is important that
the culture of an organization be compatible with the strategy being implemented because where there is incompatibility between strategy and culture, it can lead to a high organizational resistance to change and de-motivation which in turn can frustrate the strategy implementation effort. However, when culture influences the actions of the employees to support current strategy, implementation is strengthened.

2.3.3. Resources

Organizations have at least four types of resources that can be used to achieve desired objectives namely; financial resources, physical resources, human resources, and technological resources (David, 2003). Once a strategic option has been settled upon (in the strategic selection stage), management attention turns to evaluating the resource implications of the strategy (Campbell et al, 2002). The operating level must have the resources needed to carry out each part of the strategic plan (Harvey, 1998). It should therefore be possible to implement strategies with the resources available and it is not possible to implement a strategy which requires more resources than can be made available.

2.3.4 Systems

Systems means all the procedures, formal and informal, that make the organization go day by day and year by year; capital budgeting systems, training systems, cost accounting procedures, and budgeting systems (Mintzberg & Quinn, 1991). Organizational structures specify the allocation of responsibilities for specific tasks. These activities need to be carried out efficiently because they reinforce the implementation of strategy. According to Aaltonen & Ikavalco (2001), linking organizational goal setting systems is very essential in strategy implementation.
2.3.5 Leadership

Leadership is needed for effective implementation of strategy, as this will ensure that the organization effort is united and directed towards achievement of its goals (Pearce & Robbison, 1988). According to Koske (2003), leadership is considered to be one of the most important elements affecting organizational performance. The leadership of the organization should be at the forefront in providing vision, initiative, motivation and inspiration. The management should cultivate team spirit and act as a catalyst in the whole strategy implementation process. As much as possible, the leadership of the organization should fill relevant positions with qualified people committed to the change efforts (Bryson, 1995).

However, not many organizations implement their strategies successfully. The factors responsible for successful strategies implementation are met with challenges which results to causes of failure and hence do not experience the outcomes and benefits intended.

2.4 Challenges to strategy implementation

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.

The most important problem experienced in strategy implementation in many cases is the lack of sufficient communication. Aaltonen & Ikavalko (2001) state that the amount of strategic communication in most of the organizations is large, both written and oral
communication is used, mostly in form of top down communications. However, a great amount of information does not guarantee understanding and there is still much to be done on the field of communicating strategies. According to Wang (2000), communication should be a 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 once-off activity focusing on announcing the strategy. It should be an on-going activity throughout the implementation process. In many cases it is not so and therefore communication still remains a challenge to strategy implementation process.

Before any strategy can be implemented, it must be clearly understood. Clear understanding of a strategy gives purpose to the activities of each employee and allows them to link whatever task is at hand to the overall organizational direction (Byars et al, 1996). Lack of understanding of a strategy is one of the obstacles of strategy implementation (Aaltonen & Ikavalko, 2001). They point out that many organizational members typically recognize strategic issues as important and also understand their context in generic terms. However, problems in understanding arise when it comes to applying the strategic issues in the day-day decision-making.

Whilst the strategy should be chosen in a way that it fit the organization structure, the process of matching structure to strategy is complex (Byars et al, 1996). The structure that served the organization well at a certain size may no longer be appropriate for its new or planned size. The existing structures and processes in the organization support the current ways of doing things and if the strategy indicates that the organization need to behave in different ways, there is likely to be problems should the existing structures be used to
implement the changes (Campbell et al, 2002). The current structures may as well distort and dilute the intended strategy to the point where no discernible change takes place. According to McCarthy et al (1996), creating that structure and the attendance behaviour changes is a formidable challenge. The fundamental challenge for managers is the selection of the organization structure and controls that will implement the chosen strategies effectively.

According to Wang (2000), senior managers might leave too soon after the process has been started. When senior managers step out of the picture, after implementation begins, this undermines staff’s commitment and enthusiasm for strategy. According to him, staff often distrust new strategy and prefer old and familiar situation. Staff attitudes and perspectives go a long way towards subverting the company’s plan.

Cultural impact underestimation is yet another challenge to strategy implementation. The implementation of a strategy often encounters rough going because of deep-rooted cultural biases. It causes resistance to implementation of new strategies especially in organizations with defender cultures. This is because they see change as threatening and tend to favour “continuity” and “security” (Wang, 2000). It is the strategy maker’s responsibility to choose a strategy that is compatible with the “sacred” or unchangeable parts of the prevailing corporate culture (Thomson & Strickland, 1989).

Creating an organization culture, which is fully harmonized with strategic plan, offers a strong challenge to the strategy implementer’s administrative leadership abilities. Aosa (1992) observes that lack of compatibility between strategy and culture can lead to high
organizational resistance to change and de-motivation, which can in turn frustrate the strategy implementation.

Resource insufficiency is another common strategy implementation challenge. David (2003) argues that allocating resources to particular divisions and departments does not mean that strategies will be successfully implemented. This is because a number of factors commonly prohibit effective resource allocation. These includes; overprotection of resources, too great emphasis on short-run financial criteria, organizational policies, vague strategy targets, reluctant to take risks, and lack of sufficient knowledge.

Also, established organizations may experience changes in the business environment that can make a large part of their resource base redundant and unless they are able to dispose off those redundant resources, they may be unable to free up sufficient funds to invest in the new resources that are needed and their cost base will be too high (Johnson & Scholes, 2002). Peter and Drucker have underscored this point very well when they asserts that, “The test of a plan is not how good the plan is itself. The test is whether management actually commits resources to action which will bring in the future.”

Changes do not implement themselves and it is only people that make them happen (Bryson, 1995). Selecting people for key positions by putting a strong management team with the right personal chemistry and mix of skills is one of the first strategy implementation steps (Thompson & Strickland, 1998). Assembling a capable team, they point out, is one of the first cornerstones of the organization-building task. Strategy implementation must determine the kind of core management team they need to execute the
strategy and then find the right people to fill each slot. Staffing issues can involve hiring new people with new skills (Hunger & Wheelen, 2000). Bryson (1995) observes that people’s intellect, creativity, skills, experience and commitment are necessary in creating order, culture, systems, and structures that focuses and channels efforts towards effective implementation. However, selecting able people for key position remains a challenge to many organizations.

Organizations often find it difficult to carry out their 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 (McCarthy et al, 1996). Most incentives programmes are designed only for top management and lower levels of management and operative employees do not normally participate (Byars, et al, 1996). If strategy accomplishment is to be a really top priority, then the reward structure must be linked explicitly and tightly to actual strategic performance (Thomson & Strickland, 1998). Bryson (1995) asserts that people must be adequately compensated for their work. McCarthy et al, (1996) argue that in many companies, much effort has been put into both strategy formulation and resource allocation process as a way to improve implementation and unfortunately, effort have not been wholly effective because the necessary measurement and rewards system that completes the cycle is lacking.

At its simplest, strategy is all about managing change and resistance to change can be considered the single greatest threat to successful strategy implementation. Strategic change is the movement of an organization from its present state towards some desired future state to increase its competitive advantage (Hill & Jones, 1999). The behaviour of
individuals ultimately determines the success or failure of organizational endeavours and
top management concerned with strategy and its implementation must realize this
(McCarthy et al, 1996). Change may result to conflict and resistance. People working in
organizations sometimes resist such proposals and make strategy difficult to implement
(Lynch, 2000). This may be due to result of anxiety to fear of economic loss,
inconvenience, uncertainty, and a break in normal social patterns (David, 2003).

What is clear from existing literature is that the approach to managing strategic change will
need to be context dependent. It will not be the same for all situations in all types of
organizations. Managers therefore need to balance the circumstances they face. Moreover,
managers need to be able to help create the sort of organizational context, which will
facilitate change (Johnson & Scholes, 2002).

Organizational politics, unavoidable aspects, remains another key challenge in strategy
implementation. Organization politics are tactics that strategic managers engage in to obtain
and use power to influence organizational goals and change strategy and structure to further
their own interest (Hill and Jones, 1999). Wang (2000), states that it is important to
overcome the resistance of powerful groups because they may regard the change caused by
new strategy as a threat to their own power. Top-level managers constantly come into
conflict over what the correct policy decisions would be, and power struggles and coalition
building is a major part of strategic decision making. According to them, the challenge
organization face is that the internal structure of power always lags behind changes in the
environment because in general, the environment changes faster than the organization can
respond.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The research investigates strategy implementation and its challenges among nonprofit organizations through an intensive examination of AMREF - Kenya. Data was drawn from the organization to bring out key findings that would shed light on the subject among similar organizations. The study was a case based and relied on social science research methodology. The scope of the study was confined to the implementation of the current AMREF - Kenya strategic plan in the period 2001 - 2004.

3.2 The Population and the case

The population of the study was all non-profit organizations in Kenya. However, they were covered through a case study of AMREF - Kenya, one of the leading and the oldest non-profit organizations in Kenya. AMREF - Kenya uses integrative approach in its project implementation and has a component addressing poverty, health, disaster management, research and training.

AMREF-Kenya has undergone changes in terms of size, structure, programs, and funding base and has a wide experience of most challenges facing non-profit sectors regardless of their sizes. The organization was therefore a good representative of non-profit organizations and findings from this study could be useful to similar organizations. All the key policy makers and strategy implementers within AMREF - Kenya including the Country
Director, Head of Programmes, Zonal Coordinators, and Department/Project Managers (25) were involved in providing data.

3.3 Data collection methods

The study relied on primary data. Data from the key policy makers of AMREF – Kenya (The Country Director, Head of Programmes, Zonal Coordinators, and Departments/Project Managers) were collected through administration of a structured questionnaire. A questionnaire was designed and pre-tested. Once done, it was distributed and collected once filled. The questionnaire had both open-ended and closed questions covering issues on strategy implementation and its challenges. Open-ended questions permitted free responses from the respondents, without providing or suggesting any structure for the replies.

The closed questions enabled responses of the respondents to be limited to stated alternatives. These alternatives were designed in such a way as to be simple for the respondents to understand. This method was employed because the researcher was able to isolate the responses from external influences and the respondents were totally free to express their views and attitudes in unbiased manner. The drop and pick method was used to disperse the questionnaires. Brief follow-up interviews were also held with the respondents in order to illicit more information or clarifications on data submitted in the questionnaire.
The nature of the information obtained from the questionnaire was descriptive. Descriptive statistics were therefore used to analyze the data. These included the calculation of mean scores, percentages, and frequencies to measure and compare the outcomes.

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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>20.0</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>20.0</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>16.0</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>8.0</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>20.0</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>8.0</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>4.0</td>
</tr>
</tbody>
</table>
CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 INTRODUCTION

Questionnaires were edited for completeness and consistency, and the open-ended questions were assigned appropriate codes. The responses were codified, tabulated and presentation of the findings was done as below:

4.2 RESPONDENTS' BACKGROUND INFORMATION

The study involved a total of 25 respondents all whom were staff of AMREF – Kenya. The following table summarizes their details:

Table 1: Respondent's Details

<table>
<thead>
<tr>
<th>Number of years in the position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>5</td>
<td>20.0</td>
</tr>
<tr>
<td>3</td>
<td>5</td>
<td>20.0</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>16.0</td>
</tr>
<tr>
<td>5</td>
<td>2</td>
<td>8.0</td>
</tr>
<tr>
<td>6</td>
<td>5</td>
<td>20.0</td>
</tr>
<tr>
<td>7</td>
<td>2</td>
<td>8.0</td>
</tr>
<tr>
<td>8</td>
<td>1</td>
<td>4.0</td>
</tr>
<tr>
<td>11</td>
<td>1</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Research data
Table 1 above shows that majority (60.0%) of the respondents had worked in AMREF Kenya for the last 4 years and above. This shows that most of the respondents were working in AMREF - Kenya during the development of the Strategic Plan 2000 and Beyond. They may have therefore been involved in its development and design. Only 40.0% of the respondents came later after the strategic plan had been developed. These were therefore involved only in the implementation process.

Of the 25 respondents involved in the study, six (6) of them belonged to the Senior Management Team (SMT). The SMT is the main policy making body of AMREF Kenya. Five (5) of the SMT members interviewed had worked within AMREF for over five (5) years and were involved in the development and implementation of AMREF Kenya Strategic Plan 2000 and Beyond. A considerable number of respondents involved have also had prior experience working for non-profit organizations.

4.3 METHODS BY WHICH STRATEGIES ARE IMPLEMENTED

How organizations, whether for profit or non-profit, implement their strategies is important because it influences the achievement of their desired outcomes. This process requires organizations to have clear methods, procedures and systems to be able to implements their strategies effectively and efficiently. The process also requires organizations to have the capacity at the organization level and the capabilities of the relevant staff as well as an enabling environment both internal and externally. The above aspects mainly touch on the skills of staff, resources, structures and systems. Others are leadership, culture, organizational policies, and performance evaluation and reward systems.
In order to find out how AMREF Kenya implements its documented strategies, the main factors responsible for strategy implementation process were identified and the respondents were asked to tick the appropriate number on a 1 - 5 scale (1 for strongly in disagreement and 5 for strongly in agreement) that best described the extent of their disagreement or agreement. A mean score and standard deviation for each factor was obtained. Table 2 below tabulates the results:

Table 2: Factors responsible for strategy implementation

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>SCORE FOR EACH LEVEL</th>
<th>MEAN SCORE</th>
<th>STANDARD DEVIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial management systems</td>
<td>0 1 3 12 9</td>
<td>4.16</td>
<td>0.800</td>
</tr>
<tr>
<td>Annual work plans</td>
<td>1 4 7 12</td>
<td>4.12</td>
<td>1.092</td>
</tr>
<tr>
<td>Organization structure</td>
<td>1 3 8 8</td>
<td>3.76</td>
<td>1.200</td>
</tr>
<tr>
<td>Management skills</td>
<td>0 1 8 5</td>
<td>3.68</td>
<td>0.852</td>
</tr>
<tr>
<td>Leadership</td>
<td>1 3 7 6</td>
<td>3.56</td>
<td>1.121</td>
</tr>
<tr>
<td>Systems and procedures</td>
<td>0 5 6 9 5</td>
<td>3.56</td>
<td>1.044</td>
</tr>
<tr>
<td>Monitoring &amp; evaluation</td>
<td>1 2 8 10 4</td>
<td>3.56</td>
<td>1.003</td>
</tr>
<tr>
<td>Current policies</td>
<td>0 1 13 8 3</td>
<td>3.52</td>
<td>0.770</td>
</tr>
<tr>
<td>Resource mobilization – Local funding</td>
<td>1 4 5 11 4</td>
<td>3.52</td>
<td>1.085</td>
</tr>
<tr>
<td>Recruitment policy</td>
<td>2 2 8 8 5</td>
<td>3.48</td>
<td>1.195</td>
</tr>
<tr>
<td>Staff performance appraisal systems</td>
<td>1 2 9 10 3</td>
<td>3.48</td>
<td>0.963</td>
</tr>
<tr>
<td>Competency of the personnel</td>
<td>0 5 8 9 3</td>
<td>3.40</td>
<td>0.957</td>
</tr>
<tr>
<td>Organization culture</td>
<td>1 2 11 10 0</td>
<td>3.25</td>
<td>0.794</td>
</tr>
<tr>
<td>Communications systems</td>
<td>0 4 11 10 0</td>
<td>3.24</td>
<td>0.723</td>
</tr>
<tr>
<td>Employee training</td>
<td>2 2 12 8 1</td>
<td>3.16</td>
<td>0.943</td>
</tr>
<tr>
<td>Technical skills</td>
<td>2 4 10 7 1</td>
<td>3.04</td>
<td>0.999</td>
</tr>
<tr>
<td>Resource availability</td>
<td>2 4 11 5 1</td>
<td>2.96</td>
<td>0.976</td>
</tr>
<tr>
<td>Resource mobilization – Untied donor funds</td>
<td>2 6 11 5 1</td>
<td>2.88</td>
<td>0.971</td>
</tr>
</tbody>
</table>

Source: Research data
The interpretation and discussion of the data in table 2 is as follows:

4.3.1 Skills of staff

The research sought to find out whether the management staff possessed the necessary skills that enable successful strategy implementation. Respondents were asked to describe their level of agreement or disagreement on whether the management staff possesses the required skills for strategy implementation.

According to Table 2 above, a mean score of 3.68 was obtained to this question implying that the management staff (Country Director, Head of Programmes, and Project/Department Managers) have skills that are required in implementing the organization strategies.

Also, when the respondents were asked on whether there had been an increase in staff training since the launch of the strategic plan 2000 and Beyond, a mean score of 3.21 was obtained. This indicates improved human resource development through extensive employee training.

However, the increase in staff training does not necessarily mean there has been significant skills enhancement towards strategy implementation among staff. Some of the trainings were mentioned to be irrelevant or inadequate or more geared towards individual needs than organizational goals. Inadequate training was mainly attributed to inadequate training resources.

The findings also show that AMREF - Kenya training since 2001 is geared towards strategy implementation with a mean score of 3.16 and that staff are given technical skills needed
for the strategy implementation (3.04). However, when the respondents were asked whether the organization has a database of existing skills and experience established and regularly updated a mean score of 2.84 was obtained.

4.3.2 Organizational Policies

The research established that the current policies support strategy implementation (3.52). The organization may therefore be said to have specific guidelines, methods, procedures, rules, forms and other administrative practices established to support and encourage work towards stated goals. However, it was established that there is no reward policy (documented) in place in support of the new strategic plan.

4.3.3 Recruitment Policy

Related to the skills of the management staff and staff training program is the aspect of quality of the newly recruited staff within AMREF Kenya. In order to establish whether the recruitment policy of AMREF Kenya since 2001 supports strategy implementation, respondents were asked to describe the extent of their agreement or disagreement. The data obtained shows that the recruitment policy of AMREF Kenya is good (3.48). This shows that the recruitment policy is in line with the strategy and enables the organization to recruit qualified staff with appropriate skills to implement strategies.

This was further supported by the fact that the personnel recruited are based on the organizational needs, technical qualifications necessary for the position and that the recruitment process is itself transparent.
4.3.4 Personnel Competency

The study wanted to find out whether the Human Resource assesses the competency of the personnel during the recruitment process so that they are compatible with the current strategy. Data obtained shows a mean score of 3.40 indicating that the competency of staff is good. This shows that AMREF – Kenya HR department assesses the competency of the new personnel so that they are compatible with the strategy. However, it was argued that sometimes there is less involvement of the HR in the recruitment process.

4.3.5 Leadership

The research also sought to find out whether the SMT of AMREF Kenya has provided the required leadership for successful strategy implementation. The result shows a mean score of 3.56 to the question whether the SMT has provided required leadership for successful strategy implementation of the 2000 and Beyond Strategic Plan. This shows that the SMT has been in the forefront in providing effective leadership to ensure that strategies are implemented successfully.

4.3.6 Resource Availability

Another important question in the research was whether AMREF Kenya provided the required resources to successfully implement its documented strategies. A mean score of 2.96 to this question was obtained from the study. The organization can therefore be said to have not been providing adequate financial, physical resources, human resources and technological resources for successful implementation of strategies.
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4.3.7 Organizational Structure

As documented, the structure of AMREF Kenya was to be changed as a result of the new Strategic Plan 2000 and Beyond. Respondents were asked to describe their level of agreement or disagreement on whether the structure has been changed since 2001. A mean score of 3.76 was obtained implying that the structure was changed to be in line with the current strategic plan.

Also, when the respondents were further asked on whether the current organization structure supports the implementation of the current strategies, a mean score of 3.52 was obtained to this question. Some of the reasons given in support of this were that there has been de-centralization of authority (zonal approach) and that a new organogram (with new staff titles) was developed and positions filled as planned together with the expansion of SMT.

4.3.8 Organizational Culture

The question as to whether the culture of AMREF Kenya was supportive of the strategy implementation was also important in the research. The answer was that it does with a mean score of 3.25. This shows that the current organizational culture of AMREF Kenya is to some extent compatible with the strategies being implemented. However, when the respondents were probed further for the reasons, some argued that there is still a culture of centralized control and command, and that some old staff still does things the way they used to do some years back.
4.3.9 Organizational Systems

Also important in this study was to find whether the overall systems and procedures established by the organization support strategy implementation. The finding in table 2 shows that they do. A mean score of 3.56 was obtained to this question. The study therefore shows that the overall systems and procedures support strategy implementation. Financial and communications systems were further separately investigated because they significantly influence strategy implementation in AMREF Kenya.

4.3.9.1 Financial Management Systems

The research sought to find out whether AMREF-Kenya maintained financial management systems to ensure proper utilization of funds, accountability, financial monitoring and efficient reporting all geared towards strategy implementation. A mean score of 4.16 was obtained. This shows that AMREF-Kenya has a sound financial management system that supports its strategy implementation process.

4.3.9.2 Communication System

To find out whether there are established systems of communication in support of strategy implementation; respondents were asked to describe their extent of agreement or disagreement. Table 2 on page 24 shows a mean score of 3.24 that there exist established communications systems to enhance access to information systems.

Also the fact that effective systems of communications have been development does not imply that the staffs really know and understand the strategy. The research established that not all staff understands or know the content of the strategy document.
4.3.10 Annual Work Plans

It was also important to establish whether there existed annual work plans to support the current strategic plan. The data obtained from the study shows a mean score of 4.12 to this question. This shows that AMREF - Kenya had annual work plans that effectively supported the current strategic plan. The respondents further mentioned that the organization always referred to the current master plan when planning to execute its activities.

4.3.11 Monitoring and Evaluation

Monitoring and Evaluation systems are critical for any successful organization. The research therefore sought out to find the effectiveness of AMREF - Kenya’s M&E systems and the implication it had on the implementation of the 2000 and Beyond Strategic Plan.

The respondents were asked if the on-going projects of AMREF - Kenya were continuously monitored and evaluated to identify gaps where new projects needed to be developed. The study established that they do with a mean score of 3.56. This shows that the on-going projects are continuously monitored and evaluated. Also in finding out whether the organization projects are designed and implemented to deliver results that contribute to the outcomes identified in the master plan, a mean score of 3.72 was obtained showing that they actually does.

4.3.12 Staff Performance Appraisal

As to whether the current staff performance appraisal supports the strategy implementation, a mean score of 3.48 was obtained showing that it does. The study also established that a programme known as ACHIEVE has been installed in the HR department. ACHIEVE is a
programme that monitors and evaluates individual performance throughout the year. However in contrary, the study established that there is no reward policy document in place.

4.3.13 Resource mobilization

During the development of the AMREF Kenya Strategic Plan 2000 & Beyond, it was found that there was need to mobilize unrestricted and programmed based funds. In this regard, efforts were to be made in order to expand programme funding by increasing access to untied donor funds and also by exploring and accessing local sources of funding. The study therefore wanted to find out how far the same has been achieved.

4.3.13.1 Untied Donor Funds

These are funds raised from donors and not earmarked for special projects or programmes. The research wanted to establish how far the same has been realized. The data obtained shows a mean score of 2.88 implying that this has not yet been fully achieved. AMREF - Kenya is therefore yet to realize more funds by mobilizing unrestricted and programme based funds to support its current strategy implementation.

4.3.13.2 Local Sources of Funding

The research sought to find out whether AMREF - Kenya has been exploring and accessing local sources of funding in order to take advantage of the untapped local resources. A mean score of 3.52 was obtained implying that a significance step has been made towards achieving the same. When probed further, some of the reasons given were that the
organization has been approaching local companies for sponsorship and funds raised have been increasing.

4.4 STRATEGY IMPLEMENTATION CHALLENGES ENCOUNTERED

Various challenges to strategy implementation have been described in the literature review. In this study, the respondents were asked to describe the level at which each challenge affect the strategies being implemented on a scale of 1 to 5 (least affected to extreme affected). A mean score and standard deviation for each category was obtained. Table 3 below indicates the rating of each challenge on the level that the respondents believed affected strategy implementation.
<table>
<thead>
<tr>
<th>CHALLENGES</th>
<th>SCORE FOR EACH LEVEL</th>
<th>MEAN SCORE</th>
<th>STANDARD DEVIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate resources</td>
<td>0 3 7 5 8</td>
<td>3.78</td>
<td>1.085</td>
</tr>
<tr>
<td>Advocates and supporters of strategic decisions left during implementation</td>
<td>1 6 4 6 7</td>
<td>3.50</td>
<td>1.285</td>
</tr>
<tr>
<td>Unsupportive organization culture</td>
<td>0 3 12 6 3</td>
<td>3.37</td>
<td>0.875</td>
</tr>
<tr>
<td>Uncontrollable factors in the environment</td>
<td>1 4 8 6 4</td>
<td>3.35</td>
<td>1.112</td>
</tr>
<tr>
<td>Major obstacles surfaced during implementation</td>
<td>0 6 5 10 2</td>
<td>3.35</td>
<td>0.982</td>
</tr>
<tr>
<td>Implementation took more time</td>
<td>2 4 8 8 3</td>
<td>3.24</td>
<td>1.128</td>
</tr>
<tr>
<td>Monitoring, planning, coordination and sharing of responsibilities not well defined</td>
<td>2 7 6 4 5</td>
<td>3.12</td>
<td>1.296</td>
</tr>
<tr>
<td>Inadequate staff training</td>
<td>1 6 9 6 2</td>
<td>3.08</td>
<td>1.018</td>
</tr>
<tr>
<td>Slow acceptability of strategy</td>
<td>3 6 4 8 2</td>
<td>3.00</td>
<td>1.243</td>
</tr>
<tr>
<td>Inadequate departmental/programme leadership</td>
<td>3 2 4 3 2</td>
<td>2.96</td>
<td>1.042</td>
</tr>
<tr>
<td>Competing activities and crises distracted attention from implementing the decisions</td>
<td>4 6 7 6 0</td>
<td>2.92</td>
<td>1.213</td>
</tr>
<tr>
<td>Key formulators of the strategic decisions did not play an active enough role in implementation</td>
<td>3 6 7 8 2</td>
<td>2.92</td>
<td>1.176</td>
</tr>
<tr>
<td>Inadequate employee capabilities</td>
<td>2 7 8 4 2</td>
<td>2.87</td>
<td>1.100</td>
</tr>
<tr>
<td>Inadequate information systems to monitor implementation</td>
<td>3 6 6 7 1</td>
<td>2.87</td>
<td>1.140</td>
</tr>
<tr>
<td>Inadequate communication of strategy</td>
<td>1 10 6 3 3</td>
<td>2.79</td>
<td>1.179</td>
</tr>
<tr>
<td>Inadequate co-ordination of implementing activities</td>
<td>3 8 8 3 2</td>
<td>2.71</td>
<td>1.122</td>
</tr>
<tr>
<td>Lack of focus and ability on the new strategy</td>
<td>4 6 7 6 0</td>
<td>2.65</td>
<td>1.071</td>
</tr>
<tr>
<td>Wrong organizational structure</td>
<td>5 9 3 4 2</td>
<td>2.52</td>
<td>1.275</td>
</tr>
</tbody>
</table>

Source: Research data
Inadequate resources (3.78), advocate and supporters of the strategic decisions leaving the organization (3.50), unsupportive organization culture (3.37), uncontrollable factors in the environment/unforeseen obstacles (3.35), implementation taking too long (3.24), monitoring, planning, coordination, and sharing of responsibilities not being well defined (3.12), inadequate staff training (3.02), slow acceptability of the strategy (3.00), topped the list of the main challenges that significantly affected implementation of strategies in the organization.

Other challenges that somewhat affected the implementation of the strategies includes;

- Inadequate departmental/programme leadership/Competing activities and crises distracting attention from (2.96),
- Key formulators of the strategic decisions having not played an active enough role in implementation (2.92),
- Inadequate information systems to monitor implementation and inadequate employee capabilities (2.87).

Other challenges can be said to have little significance effect on the implementation of the documented strategies.

Also it should be noted that most of the challenges mentioned are internal and only a few are due to external forces. This implies that the organization is in much control of these challenges.

4.5 WHETHER CHALLENGES ARE UNIQUE TO PARTICULAR DEPARTMENTS/PROGRAMMES

The research wanted to find out whether the challenges mentioned were unique to department/programme or affected others as well. Table 4 below shows the respondents...
opinion as to whether the challenges were unique department/programme or affected others.

Table 4: Reaction on the uniqueness of the challenges

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique to department/Programme</td>
<td>1</td>
<td>4.3</td>
</tr>
<tr>
<td>Apply to other departments/Programmes</td>
<td>22</td>
<td>95.7</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Research data

Table 4 above shows that an overwhelming respondent (95.7%) agreed with the fact that the challenges affecting their departments/programmes affect others as well. Only a small percentage (4.3%) of the respondents disagreed.

4.6 WHETHER CHALLENGES ARE UNIQUE TO AMREF - KENYA

The research also sought to find out whether the challenges mentioned by the respondents are widespread among nonprofit organizations like AMREF Kenya or are faced by few organizations. Table 5 below provides the findings:

Table 5: Reactions on whether the challenges are widespread

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Widespread</td>
<td>17</td>
<td>89.5</td>
</tr>
<tr>
<td>Faced by few</td>
<td>2</td>
<td>10.5</td>
</tr>
<tr>
<td>Total</td>
<td>19</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Research data
The majority of the respondents (89.5%) agreed with the fact that the challenges faced by AMREF Kenya are widespread among nonprofit sector organizations. This shows that the challenges encountered are therefore widespread among nonprofit sector organizations in Kenya. Only 10.5% said that they are faced by few organizations.
In the conclusion, which is the final chapter of this study, the results of the research are summarized and discussed. The chapter also highlights the limitations of the study, recommendations for further research as well as recommendations for policy and practice.

5.1 SUMMARY, DISCUSSIONS AND CONCLUSIONS

Strategy implementation is concerned with both planning how the choice of strategy is put into effect, and managing the changes required. In this process, it is fraught with complexity and challenges. The objectives of this study were to find out how AMREF - Kenya implements its strategies and the challenges faced. Checklists of methods used by AMREF - Kenya and factors that hinder effective strategy implementation were studied. The findings regarding these objectives are summarized, discussed and conclusions drawn are presented in the order of the objectives.

5.1.1 HOW STRATEGIES ARE IMPLEMENTED

The research tried to find out how AMREF Kenya implements its documented strategies (Strategic Plan 2000 and Beyond). In order to achieve this objective, the research studied the methods used by AMREF - Kenya to do so. The findings of the study indicate that in order to realize its main themes of Capacity building, Operation Research & Advocacy and in a changing environment, AMREF - Kenya implements its strategies by establishing effective financial management systems, developing yearly work plans, changing the
organization structure, enhancing staff skills, providing effective leadership and establishing effective systems and procedures.

Others are through project monitoring and evaluation, establishment of organizational policies, resource mobilization through local funding by raising funds from local sources including from individuals, companies and multi-national corporations and by promoting cost sharing from communities and development partners through development of viable schemes.

The overall results show that the methods used by AMREF - Kenya in its strategy implementation efforts are good with an overall mean score of 3.01. However, the findings indicate that AMREF - Kenya is experiencing problems in its provision of technical skills, employee training and in the provision of resources. Although communication systems were found to support strategy implementation, it should be noted that sufficient communication does not guarantee successful implementation. Interpretation, acceptance and adoption among implementers are crucial.

Also, the study established that among the methods used by AMREF - Kenya, the following have effectively enhanced strategy implementation:

a) Maintenance of sound financial management systems. The study established that AMREF Kenya maintains proper financial management systems both at the Project sites and at Kenya Country Programme (KCP) levels to ensure transparency, accountability and efficient reporting. This ensures proper utilization of funds,
accountability, financial monitoring and efficient reporting. It was established that the whole financial system is computerized and uses the dependable SUN system.

b) Development of yearly work plans. These serve as a guideline for action and provide clarity with a powerful motivator and facilitator of effective strategy implementation.

c) Establishment of organization structure that support strategy implementation. It was established that the first two years were spent in re-organization and setting up of structures for effective implementation of various programmes. In addition, offices of Deputy Country Director (DCD) now known as Head of Programmes (HOP), Strategic Planning and Monitoring (SPM), which has been renamed Technical Support Office (TSO) and multi-disciplinary working groups were established. This was done in order to consolidate AMREF - Kenya operations and form a coherent and effective programme. These arrangements provide opportunities for efficient programme monitoring and support.

d) Having a Senior Management Team with the necessary skills. The SMT comprises of the Country Director, Head of Programmes, Communications/Fundraising Manager, Head of Finance, Human Resource/Administration Manager and Zonal Co-coordinators. The team comprises of individuals with diverse skills in their specialization.
e) Effective leadership and established organizational systems and procedures. The SMT under the leadership of the Country Director has been in the forefront in providing effective leadership in implementation of strategies. The overall responsibility for programme development, implementation and management lies with the Country Director. However, the Head of Programmes provides technical backstopping on behalf of the Country Director with support from a technical unit, which was established to strengthen planning, evaluation, research and cross cutting issues. Procurement and Transport Systems, Financial Management Systems and Monitoring and Evaluation Systems were found to have improved.

On the other hand, the following methods were found to have not effectively enhanced strategy implementation in AMREF Kenya:

a) Provision of resources. Financial resources, technological resources and physical resources were found to be inadequate. These greatly affected the implementation of the AMREF Kenya Strategic Plan 2000 and Beyond.

b) Provision of technical skills. Technical skills in the operation and research and in IT are still needed.

c) Provision of employee training. The employee training currently being provided was found to be inadequate.
It was also established that there is no documented reward system in place. If the strategy accomplishment is to be a really top priority, then the organization needs to develop and document an effective reward policy. As stated in the literature review, effective reward policy is one of the factors that enhance the success of strategy implementation.

The study also established that in its efforts to mobilize its resources; AMREF Kenya has been making a positive progress in its effort to raise local funds from individuals, local and multinational companies. However, it was found that the organization is still struggling in its efforts to raise untied donor funding. Efforts are still needed to mobilize unrestricted and programmed based funds.

It can therefore be concluded that the methods, used by AMREF - Kenya in implementing its strategies support the implementation of the Strategic Plan 2000 and Beyond. However, these methods have been to some extent affected by the challenges the organization is currently facing.

5.1.2 STRATEGY IMPLEMENTATION CHALLENGES ENCOUNTERED

The second objective of the study was to identify the challenges encountered by AMREF Kenya in its efforts of implementing its documented strategies as described in the literature review. The results of the study show that the major challenges encountered by the organization are:

a) Inadequate resources
b) Advocate and supporters of strategic decisions having left during implementation, which undermined the staff commitment and enthusiasm.

c) Unsupportive organization culture

d) Uncontrollable factors in the environment

e) Major obstacles surfacing during implementation

f) Implementation taking too long than anticipated

Overall, inadequate resources can be said to be the main barrier to successful strategy implementation in AMREF Kenya. For successful strategy implementation, the resources should be made available and the employees should be able to easily access the needed resources to facilitate the implementation process.

Also, most of the challenges affecting AMREF - Kenya are internal including inadequate provision of the required resources, advocate and supporters of strategic decisions leaving the organization during the implementation period and unsupportive organization culture. All these tended to create internal inertia, losing momentum towards successful strategy implementation. The implication is that AMREF - Kenya can exert greater control over them.

The findings of the challenges from this research are well aligned with previous studies (Aosa, 1992; Koske, 2003) including inadequate resources, uncontrollable factors in the environment and unsupportive culture. However, the structure of the organization rarely hindered strategy implementation as mentioned in the literature review.
It should also be noted that most of the challenges affecting private and public sector organizations also affect non-profit sector organizations as well in Kenya. Inadequate resources and uncontrollable factors in the environment were some of the challenges found to affect both profit and non-profit sectors.

Though the minor challenges did not affect strategy implementation significantly, it should be understood that it is necessary for AMREF - Kenya to put together all the critical components necessary in strategy implementation by tying together all the activities of the organization and by making sure that all of the organizational resources are "rowing in the same direction." It isn’t therefore enough to manage one, two or few strategy supporting components. To successfully implement strategies, the organization needs to manage them all and make sure that they are linked together for effective strategy implementation.

It is also evident from the study that challenges mentioned affect other department/programme within AMREF - Kenya and that they apply to other non-profit sector organizations as well. The implication is that most of the non-profits organizations in Kenya are being faced with similar challenges. This can be attributed to the fact they are operating in the same environment.

It can therefore be concluded that like other organizations, AMREF - Kenya is facing strategy implementation challenges.

5.2 LIMITATIONS OF THE STUDY

In evaluating the results of this research, the following limitations should be kept in mind:
1. The major constraint to effective conduct of this research was limited time. Whilst information and data sought in the study was obtained from the respondents, not many of the anticipated in-depth discussions took place in the original format owing to the fact that the respondents are generally very busy occupied with office engagements.

2. AMREF - Kenya was the only non-profit organization considered in the study. No other similar organizations have been taken into account. Although the findings can be generalized to some extent, particularly to organizations of similar size or running similar programmes like AMREF - Kenya, this may not completely fit with the rest of non-profits organizations. This handicap would have been eased if it had been possible to cover more organizations in the study.

5.4 RECOMMENDATIONS FOR PRACTICE AND PRACTICE

3. The study is restricted to strategy implementation and its challenges in non-profit organizations. It does not include other fields of strategic management process including strategy development and strategic analysis/choice. Its utility therefore is confined to that aspect of strategic management.

5.3 RECOMMENDATIONS FOR FURTHER RESEARCH

It is generally a truism that no research is an end in itself. Therefore, what this research has achieved in this area can only be considered to be little requiring further research work. From the insights gained in the course of the investigation, the researcher offers the following suggestions, which should act as a direction to future researchers:
1. There is need to undertake further research in strategy implementation in non-profits organizations in Kenya. A cross-sectional study should be undertaken so that a comparison can be made between many non-profits organizations.

2. A replication of this study should be done after some time to find out if there are any changes that have taken place and comparison with the current data. From this, a definite recommendation should be arrived at.

3. Need to study methods employed to evaluate progress towards strategy implementation in non-profits organizations to find out whether they are valid, adequate and whether they provide early warnings.

5.4 RECOMMENDATIONS FOR POLICY AND PRACTICE

5.4.1 Recommendations specific to AMREF KENYA

For AMREF Kenya to implement its documented strategies effectively, it is recommended that the organization should source for adequate resources. It should formulate financial plans and policies that will enable the organization access funding for implementation of strategies. The organization should link strategy to budgets and the budget should be used as a tool for control and resource allocation. Resources should be allocated according to the key issues and priorities identified in the organization. Also more techniques for resource mobilization should be developed including; seeking for untied donor funds, seeking for new donors by marketing of proposals, enhancing incoming generating activities alongside
other fundraising techniques. Finally, the organization should make prudent funding bases first before moving into a new strategy.

The study shows that AMREF Kenya has put in place effective methods that support implementation of its documented strategies (Strategic Plan 2000 and Beyond). These include; sound financial management systems, annual work plans, organizational structure, effective leadership and systems and procedures. However, the study reviewed that employee training undertaken does not effectively enhance strategy implementation. For AMREF Kenya to successfully implement its strategies, it is recommended that all its trainings should be geared towards strategy implementation. There is therefore need to set out training objective to ensure that the training is appropriate. Where possible, training should be tied to specific strategies.

It is evident from the study that most of the staff does not understand the strategy. It is therefore recommended that a communication plan be included in the strategy implementation plan. Communication needs to be an on-going activity and its objective should be to reduce uncertainty. This will enable the staff (both junior and senior) fully understand the strategy. The strategy should be communicated to all people involved from top to bottom, not only to managers. Every individual involved is just as important in the implementation of a strategy. Also, communication should be communicated early enough and action taken to avoid possible negative consequences.

AMREF – Kenya should come up with an effective documented reward policy with reward structure linked explicitly and tightly to actual strategic performance and communicated to
all staff. Decisions on salary increases, on promotions, on who gets which key assignments, and on the ways and means of awarding praise and recognition should be the organizations foremost attention getting, commitment generating devices. Also, staff should see how their careers can be advanced by involvement in implementation efforts.

AMREF Kenya should involve all the staff and stakeholders in the formulation of the strategies. All the staff and especially those at the implementation levels (field staff) should be fully involved in the strategy development so that they can fully own them.

Finally, the organization needs to review periodically if strategy milestones are being achieved.

5.4.2 Recommendations relevant to Non-profit sector organizations

It is evident from the study that strategy implementations challenges cut across non-profit sector organizations in Kenya. It is therefore recommended that the non-profits organizations should be proactive when developing their strategies. Organizations in one way or the other should anticipate such challenges and should therefore during the formulation of strategies try to identify the likely internal and external challenges that might affect the implementation process. From this, a plan of action should be drawn with required/identified contingencies.

During the implementation process, efforts should be made by non-profits organizations to identify the challenges after which a faster corrective action should be initiated to resolve them before they adversely impact the organization. In order to achieve this, there should
be regular and specific reviews to determine the progress of the implementation of the strategy.

Non-profit organizations need to benchmark against best current practices and adapt the lessons learnt from other non-profit organizations regarding strategy implementation.

Non-profit organization should be involving all staff in the strategy development (formulation) stage. Non-involvement of all staff may be the reason why documented strategies are not fully implemented. It is important therefore to note that separation of strategy development and implementation may lead to a situation where critical issues may be left out of consideration during formulation phase. In order to correct the situation, the non-profit organizations should involve its staff in the formulation of the new strategies.

Organizations should also ensure that the staff and especially those at the implementation levels (field staff) discuss the strategies already formulated for them to own the process.
REFERENCES


AMREF, (2000): AMREF Kenya Strategic Plan 2000 & Beyond, African Medical and Research Foundation


Dear Madam,

RE: REQUEST FOR RESEARCH STUDY IN AMREF – KENYA

I’m a postgraduate student studying at the University of Nairobi, Faculty of Commerce. I’m conducting a management research project in partial fulfillment of the requirement for the Master of Business Administration (MBA) degree. My topic of research is “Strategy implementation and its challenges in non-profit organizations in Kenya.”

Your organization is the main focus of the study (case study). The choice is based on the reasons that AMREF - Kenya is one of the leading and the oldest non-profit organizations in Kenya and uses integrative approach in its project implementation with component addressing poverty, health, disaster management, research and training among others. The organization has also undergone changes in terms of size, structure, programs, and funding base with wide experience of most challenges facing non-profit sectors regardless of their sizes. The organization is therefore a good representative of non-profit organizations and findings from this study could be useful to similar organizations. I kindly therefore request your approval in conducting this research in your organization. The information gathered will not be used for any other purpose other than for this research.

Any Reports or Journals, Strategic Plan, Annual Reports that you may have that are relevant to the topic may be availed to me at your discretion.

A copy of the final report will be available to your organization upon request. Your kind assistance in facilitating the same will highly be appreciated.

Yours sincerely,

Francis Muthuiya
(MBA student)

Dr. Martin Ogutu
(Supervisor)
APPENDIX II

LETTER OF INTRODUCTION

August 30, 2004

Dear Respondent,

This questionnaire is designed to gather information on **strategy implementation and its challenges in nonprofit organizations in Kenya: The case of AMREF Kenya**. The study is being carried for a management project paper as a requirement in partial fulfillment of the degree of Master of Business Administration (MBA), Faculty of Commerce, of the University of Nairobi.

The information in this questionnaire will be treated with confidentiality and in no instance will your name be mentioned in this research. Also, the information will not be used for any other purpose other than for this research.

Your assistance in facilitating the same will highly be appreciated. A copy of this research paper will be made available to you upon request.

Thank you in advance.

Yours Sincerely,

Francis A. Muthuiya
MBA Student

Dr. Martin Ogutu
(Supervisor)
APPENDIX III

QUESTIONNAIRE

You are requested to answer each of the questions according to the instructions given below:

PART A) Details of the respondent

1) Position held ______________________

2) Number of years in the position ____________

3) Department/Programme ______________________

PART B) Strategy implementation

Please answer the following questions by ticking the appropriate number provided that best describes the extent of your agreement or disagreement regarding the implementation of the documented AMREF Kenya strategies (AMREF – Kenya Strategic Plan 2000 and Beyond). Where 1 is for strongly in disagreement and 5 for strongly in agreement. When requested, kindly give reasons for your answer.

i) Human Resource Support

1) The management staff (Country Director, Head of Programs, Zonal Coordinators, Project Managers/Departments & some project officers) have the skills that enable successful strategy implementation

(1) (2) (3) (4) (5)

2) AMREF - Kenya employee training since 2001 is geared towards strategy implementation
Reasons for your answer ______________________

(1) (2) (3) (4) (5)

3) AMREF - Kenya staff are given the technical skills needed for the implementation of the current strategic plan
Reasons for your answer ______________________

(1) (2) (3) (4) (5)

4) Since 2001, there has been an increase in staff training to enhance their ability to implement the new strategy
Reasons for your answer ______________________

(1) (2) (3) (4) (5)

5) The recruitment policy of AMREF-Kenya since 2001 supports the strategy implementation
Reasons for your answer ______________________

(1) (2) (3) (4) (5)

6) Staff performance appraisal system supports strategy implementation

(1) (2) (3) (4) (5)

7) The reward policy of AMREF Kenya supports implementation of strategies documented in the 2000 and Beyond Master plan
Reasons for your answer ______________________

(1) (2) (3) (4) (5)
8) When recruiting new employees, the human resource team assesses the competency of the personnel so that they are compatible with the new strategy
Reasons for your answer

9) Amref - Kenya has a database of existing skills and experience established and regularly updated in order to support strategy implementation
Reasons for your answer

II) Organizational and Management Support

1) AMREF – Kenya has annual work plan to support implementation of the new strategy
Reasons for your answer

2) The Senior Management Team (SMT) of AMREF - Kenya since 2001 has been in the forefront in providing leadership to enable strategy implementation
Reasons for your answer

3) There has been a change in organizational structure of AMREF - Kenya since its launch of its current strategic plan
Reasons for your answer

4) The current organizational structure support strategy implementation of the documented strategies in the master plan
Reasons for your answer

5) The current organizational culture of AMREF Kenya support implementation of strategies documented in the master plan i.e. it is compatible with the strategy being implemented
Reasons for your answer

6) The systems and procedures established by the organization support strategy implementation
Reasons for your answer

7) Resources required (physical, financial & human) for implementation of the documented strategies have been readily available
Reasons for your answer

8) The current policies (2001 – 2004) adequately support the organization’s strategic plan
Reasons for your answer

9) AMREF Kenya always refers to the current master plan when planning to execute its activities
Reasons for your answer

10) Systems of communication have been developed to enhance access to information and support strategy implementation.
Reasons for your answer

11) AMREF - Kenya maintains financial management systems to ensure proper utilization of funds, accountability, financial monitoring and efficient reporting all geared towards strategy implementation
Reasons for your answer

12) AMREF - Kenya on-going projects are continuously monitored and evaluated to identify gaps where new projects need to be developed
Reasons for your answer

13) AMREF - Kenya projects are designed and implemented to deliver results that contribute to the outcomes identified in the master plan
Reasons for your answer

IV
III) Resource mobilization

1) Over the last 3 years, there has been an increase access to untied donor funds to AMREF - Kenya

2) Since 2001, Amref Kenya has been exploring and accessing local sources of funding to take advantage of the untapped local resources including from individuals, companies, and multinational corporations

PART C) Strategy implementation challenges

Organizations today face various challenges in their pursuit to implement strategies. (I) In your view, how do you rate the level in which these challenges affect the implementation of the documented strategies (AMREF – Kenya Strategic Plan 2000 and Beyond) in your Program/Department? Please tick the number on the right of each statement (1 for the least affected, and 5 for the extremely affected)

1) Implementation took more time than was originally allocated

2) Major obstacles surfaced during implementation that had not been identified beforehand.

3) There was inadequate communication of the strategy to the staff

4) Capabilities of employees involved were not adequate

5) Slow acceptability of the new strategy by AMREF stakeholders

6) Resources made available were inadequate

7) Monitoring, planning, coordination, and sharing of responsibilities was not well defined

8) There was lack of focus and ability on the new strategy

9) Competing activities and crises distracted attention from implementing the decisions

10) Uncontrollable factors in the external environment had adverse impact on implementation

11) Inadequate training to the staff

12) Un-supportive organization culture

13) Inadequate coordination of implementation activities

14) Leadership and direction provided by departmental/programme managers were not adequate

15) Information systems used to monitor implementation were not adequate

16) Key formulators of the strategic decisions did not play an active enough role in implementation

17) Wrong organizational structure

18) Advocates and supporters of the strategic decisions left during implementation

Others, please specify below:
II) Are most of these challenges unique to your department/programme or apply to others as well? Please tick appropriately.

   a) Unique to my department/programme  □
   b) Apply to other departments/programmes  □

   Explain your answer

III) Are the strategy implementation challenges mentioned above widespread among non-profit sector organizations like AMREF - Kenya or are faced by only few organizations?

   a) Are widespread  □
   b) Are faced only by few organizations  □

IV) What suggestion(s) would you give that will help non-profit organizations avoid or minimize strategy implementation challenges?

   ______________________________________________________
   ______________________________________________________
   ______________________________________________________
   ______________________________________________________
   ______________________________________________________

V) Please give any other comment you may have regarding the subject of this research

   ______________________________________________________
   ______________________________________________________

Thank you for your cooperation