

**CHALLENGES OF STRATEGY IMPLEMENTATION IN
THE MINISTRY OF PUBLIC WORKS OF KENYA**

BY

KIBET KIRUI KOMINGOI

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

NOVEMBER, 2011

DECLARATION

This project is my original work and has never been presented for a degree in any other university.

Signature:..... Date:.....

KIBET KIRUI KOMINGOI

D61/70359/2007

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

Signature:..... Date.....

DR. MUHAMMAD,

SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI.

ACKNOWLEDGEMENTS

First special thanks goes to my supervisor Dr Muhammad for his constant support, guidance, clear thinking, positive criticism and passion to see me excel. Thank you so much for your time; it was a great privilege being your student.

Secondly, my gratitude is to God the Almighty. He is a faithful God and a particular friend

I greatly appreciate the companionship of my colleagues in the MBA class for the support and tolerance throughout the program. .

I would like to sincerely thank my mother for her prayers and encouragement. Further, I appreciate the support of my immediate family. You are simply the best, the reason I toil all day. Additionally, I thank my uncle Benny Komingoi for his great friendship, thanks baba.

DEDICATION

To my wife Anne Wanjiru for her encouragement, selfless support and sacrifices on my behalf as well as ceaseless prayers.

To my Mother for her love and patience and to my daughter, Kellie Kalyet Komingoi for inaudible stories during the course of the project

To Renny and my brothers and sister for what they have done to see me through this challenging education path

TABLE OF CONTENTS

Declaration.....	ii
Acknowledgements.....	iii
Dedication.....	iv
Table of Contents.....	v
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study	1
1.1.1 Concept of Strategy.....	2
1.1.2 Strategic Implementation	2
1.1.3 Ministry of Public Works	3
1.2 Research Problem	5
1.3 Research Objectives.....	6
1.4 Value of the Study	6
CHAPTER TWO: LITERATURE REVIEW.....	7
2.1 Introduction.....	7
2.2 The Concept of Strategy Implementation.....	7
2.3 Public Sector Peculiarities	9
2.4 Tools for Successful Strategy Implementation.....	12
2.4.1 Annual Objectives.....	12
2.4.2 Policies.....	13
2.4.3 Functional Strategies.....	14
2.4.4 Institutionalization of the Strategy.....	15

2.5 Challenges of Strategy Implementation.....	18
2.5.1 Connecting Strategy Formulation and Implementation.....	18
2.5.2 Resource Allocation.....	18
2.5.3 Matching structure with Strategy.....	19
2.5.4 Creating a Strategy Supportive Culture	20
2.6 Factors Influencing Strategy Implementation.....	20
CHAPTER THREE: RESEARCH METHODOLOGY	22
3.1 Introduction.....	22
3.2 Research Design	22
3.3 Population	22
3.4 Data Collection	23
3.5 Data Analysis.....	23
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND INTEPRETATION	24
4.1 Introduction.....	24
4.2 Strategic Management Practices.....	24
4.3 Strategy Implementation.....	25
4.4 Challenges of strategy Implementation	26
4.4.1 Institutional Challenges	27
4.4.1.1 Structural Challenges.....	27
4.4.1.2 Leadership challenges.....	28
4.4.1.3 Cultural changes	28
4.4.1.4 Reward and Motivational Challenges.....	28

4.4.2 Operational Challenges	29
4.4.2.1 Policies	30
4.4.2.2 Tactical and Operational Plans	30
4.4.2.3 Resource Allocation.....	31
4.4.2.4 Management and Employee Involvement	31
4.4.2.5 Annual objectives	32
4.4.2.6 Communication of Responsibility and Accountability.....	32
CHAPTER FIVE: SUMMARY, DISCUSSION AND CONCLUSION	33
5.1 Introduction.....	33
5.2 Summary	33
5.3 Discussions	34
5.4 Conclusions.....	35
5.5 Limitations of the study	35
5.6 Suggestions of Further Study.....	35
REFERENCES.....	37
APPENDIX I : INTERVIEW GUIDE.....	40

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategic management is defined as the set of decisions and actions that result in formulation and implementation of plans designed to achieve a company's objectives it comprises several tasks. Strategic management involves the planning, directing, organizing and controlling of company's strategic related decisions and actions (Pearce and Robinson, 2007)

According to (Johnson and Scholes, 2005) strategy is the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations.

Strategic management plays a key role in facilitating the deployment of a firm's resources in an efficient manner to ensure long term performance of the firm in a competitive environment. As (Bennet, 1999) noted, this makes implementation of competitive strategies critical especially in the light of the stiff and ever increasing competition and complexity of today's world that can make it extremely difficult to assess and take advantage of opportunities open to a firm.

1.1.1 Concept of Strategy

(Bowman and Helfat, (2001) found that corporate strategy is an essential management tool and is important to a firm performance, and achieving a performance advantage through strategic initiatives (Farrance, 1993). Porter (1980, 1985) argues that superior performance can be achieved through the pursuit of a generic strategy, which he defines as the development of an overall cost leadership, differentiation, or focus approach to industry competitor.

The strategic position of an organization is influenced by the external environment, internal strategic capabilities and the expectation and the influence of stakeholders. Strategic choices include the underlying bases for strategy at all levels of the organization. Strategic management is also concerned with understanding which choices are likely to succeed or fail. Translating strategy into action is concerned with issues of structuring, resourcing to enable future strategies and to manage change (Johnson and Scholes, 2005)

1.1.2 Strategic Implementation

Strategy implementation process is easily the most complicated and time consuming part of strategy management. Successful strategy formulation does not guarantee successful strategy implementation. According to Newman et al, (1989) a large part of time of manager is devoted to execution, i.e. detailed programming, motivation and controlling.

Difficulty in strategy implementation is partly occasioned by obstacles or impediments to the implementation process. Hrebainik, (2000) observes that these difficulties often include longer time frame needed for execution, the need for involvement of many people dynamics in the implementation process, poor strategy formulation, conflicts within the

organization power structure, poor or inadequate sharing of information, lack of understanding of organization structure including poor information sharing methods and unclear responsibility and accountability in the implementation process, inability to manage change or even cultural change.

According to (Johnson and Scholes, 2005) there are three major elements of strategic management which we shall consider in this discourse in trying to discuss this subject, whether strategic management is important to government, firstly, understanding the strategic position, strategic choices for the future and translating strategy into action. These elements span the whole spectra of strategy from formulation, implementation and control. Organizations exist in complex political, economic, social, technological environmental and legal world. This environment changes rapidly and a times can be very complex. Organizations therefore need to understand the histories behind and the environmental effects as well as the expected or potential changes in the environmental variables. These variables will give rise to opportunities and threats. Its therefore prudent for managers to carry out environmental scan using the diagnostic tools such as SWOT analysis or PESTEL to be able to map out clear and appropriate strategies in taking advantage of the opportunities in the environment or so as to mitigate the effects of the threats they face or turn them into opportunities by aligning their resources to such opportunities or threats.

1.1.3 Ministry of Public Works

The Ministry of Public Works is one of the oldest ministries in Kenya and is charged with the responsibility of providing basic infrastructure facilities to the public. These

infrastructure facilities include development, maintenance and rehabilitation of developments and maintenance of buildings and other public works.

From its initial role as the Public Works Department (PWD) and later Ministry of Works (MoW), the Ministry has evolved over time and changed its role from a monopoly provider to that of a largely facilitative nature and supplementing direct provision of infrastructure only when necessary. The main functions of the Ministry are carried out through two major branches, namely Civil Works and Buildings. This Ministry has undergone reengineering with its portfolios constantly changing with the different governments and regimes. For a long time it was called Ministry of Roads, Public works and Housing charged with the responsibilities of Roads, Public works, bridges, Buildings and housing. However, the ministry has since shed the Housing portfolio and lately the Roads docket has been axed after the grand coalition government.

The core function of the Ministry is to manage and supervise and administer the Public Works with other infrastructure so as to spur economic development and create supportive and a conducive environment for private sector development. The ministry's function is critical to the realization of the National Development goals and Vision 2030

The concept of strategy and strategic management are just as important in the public sector as in commercial firms. Many parts of the public sector provide services to paying customers in the same way as commercial organizations for example postal services. However, the role of ideology in the development of strategy in public sector is probably greater than in the commercial organizations. There is also likely to be a good deal of

direct or indirect control or influence exercised from outside the organization, by government in particular. A “commercial” enterprise that is state controlled may find planning horizons determined more by political than market conditions and also constraints on investment capital and sources of finance. It is for these reasons that there has been large-scale privatization of previously state run enterprises over the last few years

1.2 Research Problem

The government views ministries as the tools for development and implementation of government policies. Therefore the Kenyan government attach a lot of importance on the management and performance of these ministries. The Ministry’s performance however has been a subject of concern to the government, parliamentarians and the civil society.

The introduction of performance contracts as a reform programmes to enhance the efficiency and performance of the sector, to enforce financial discipline set up adequate accountability and appropriate incentives. Strategic management has been popularized and indeed been mandatory to government ministries

The public sector has been faced with a myriad of challenges in its endeavour to achieve its mission emanating from both internal and external environment. The poor perception the government ministries have received, is considered by many that it’s because there are various challenges these institutions face in try to implement its strategies and serve the greater public good. The question that lingers therefore in the mind of managers of public sector and other stake holders is what challenges are government ministries facing in strategy implementation and how can these challenges be overcome?

1.3 Research Objectives

The objective of this study was to determine strategy implementation challenges at the ministry of Public Works.

1.4 Value of the Study

The study is of significance to the government and other stake holders in public sector, and in particular is be beneficial to the Ministry of Public Works in adopting new strategy implementation styles.

Additionally, the findings from this study will go towards filling the existing information gap in “strategy implementation and its challenges in government ministries in Kenya” more specifically, the study envisages that the study will provide vital information to facilitate government ministries in Kenya to design appropriate methods geared towards improvement in strategy implementation and to inform stakeholders, donors, civil society, the public and other parties interested with the welfare of government ministries in Kenya.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

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 and how the choice of strategies can be put into effect and managing the changes required (Wang, 2002).

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 the 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 systems (Bryson, 1995)

Management issues to strategy implementation include establishing annual objectives, decisions, policies, allocating resources, altering the existing structures, restructuring , re-engineering revising reward and incentive plan, minimizing resistance to change, matching management with strategy, developing strategy supportive culture developing an effective human resourcing function and if necessary downsizing (David, 2003).

According to Aosa (1992), once organization 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 therefore is 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 organization unit to the smallest frontline workgroup (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 the 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.

Aattonen & Ikavalko (2001) argues that transforming strategy into actions is a far more complex and difficult task, similarly, David (2003) point out that its always more difficult to do something (strategy implementation) than to say you are going to do it (strategy formulation). Implementation therefore does not automatically follow strategy formulation; it exhibits its own resistance, which can invalidate the planned efforts (Ansoff & MacDonnell, 1990)

Clearly, the implementation of a strategy is not a straightforward process, as we would assume, (Bryson, 1995) asserts that the earlier steps in the strategic management process are designed to ensure as much as possible that the adopted strategy and plans do not contain major flaws.

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

However, the problem of strategy implementation relate to situation of process that are unique to 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 as an when difficulties occur and how to address them.

2.3 Public Sector Peculiarities

According to Narain (1979), the establishment and continuance of public corporations is a political decision, and its operations are controlled at strategic points by a system where the politicians have the final say. Flynn (1997) defines the public sector as made up of the local government, the civil service and other statutory agencies created by the

government. He further adds that it includes all those state institutions which are charged with the responsibilities of policy and delivering of goods and services that the government has committed itself to deliver.

There are arguments that exist as to whether the public sector is distinct or unique in its management practices from those practiced in the private sector. One school of thought argues that there is a difference; firstly, they argue public services have distinctive purpose, conditions and tasks are different from those in private sector. Secondly, they point out that in the private sector equity is determined by the market, while in public sector need is the issue. Thirdly, decisions facing the public sector management are different from those in the private sector. Fourthly, public service organizations are complex, diverse and often competition is the objective unlike in the private sector. Those who say there is no major distinction point out that the scientific management models as developed by Taylor and Webber apply equally well in both private and public sector organizations (Rose & Lawton, 1999). In any case, they add current trends show that the public sector organizations are being influenced heavily by the private sector management practices. The public sector is becoming entrepreneurial, adapting market oriented and competitive practices and other private sector practices (Osborne & Gaebler, 1992)

Political, economic, social and technological changes do affect public sector organizations. Political parties after elections come with new government and policies calling for changes in the public sector structure in order to cope with the new programmes and deliver as per the new manifestoes. Changes in the structure of the

economy because of globalization require changes in the public sector to address emerging issues. Demographic and socio-cultural changes bring new demands and delivery of public service including health, education, social service and even infrastructure.

Flynn (1997) notes that the way the public sector was managed in the UK changed because of rising demand for and expectations of service. Such changes included a move from concentration on inputs and budgets to a focus on output; from bureaucratic procedures to proactive management; from control to empowerment; from monopoly to competition; from standard service to individualized, customized service; from the orientation toward the organization to focus towards the user.

Other public service organizations for example health services and many of the amenities run by the local governments have near monopoly of provision and the funding is from taxation rather than paying customers. This can put restrictions on strategic choice: for example, they may not be able to specialize on a few services or customers- they must provide a universal service. Also strategic priorities tend to be dictated by the provider of funds rather than the user of the service so the notion of competition is usually concerned with competition for resource inputs, typically within a political arena. The need to demonstrate best value in outputs has become increasingly important. More recently there has been a shift of emphasis to cooperation and inter agency working in an attempt to address outcomes of social importance. Examples would be tackling the drugs problem and substance abuse, crime and disorders or mental health, all of which require

cooperative efforts to improve outcomes. This means that being able to build and sustain strategic alliances is priority. (Johnson and Scholes, 2005)

Strategic capabilities of organizations are made up of resources and competencies. This brings into focus the strengths and the weakness. Organizations therefore need to carry an audit of its resources ad competences so as to be able to respond strategically to the effects of the changing environment. This requires an identification of bases of competitive advantage arising from an understanding of both markets and customers and strategic capabilities of the organization.

2.4 Tools for Successful Strategy Implementation

2.4.1 Annual Objectives

Annual objectives serve as guidelines for action, directing and channeling efforts and activities of organizations. They provide a source of legitimacy in the organization by justifying activities to stakeholders (Alexander, 1985). Annual objectives provide a basis for organizational design. According to David (1997), annual objectives are essential for strategy implementation because they:-

- i. Represent the basis for allocation of resources
- ii. Are primary mechanisms for evaluating managers
- iii. Are the major instruments for monitoring progress toward achieving long term objectives
- iv. Establish organizational, divisional and departmental priorities.

Annual objectives translate long-term aspirations into this year's targets. If well developed, these objectives provide clarity, a powerful motivator and facilitator of

effective strategy implementation (Pearce and Robinson, 1994). Annual objectives add breadth and specificity in identifying what must be accomplished to achieve long term objectives (Stalle, et. al 1992).

Annual objectives should be consistent across hierarchical levels and form a network of supportive aims. They should be measurable, consistent, reasonable, challenging, clear, communicated throughout the organization characterized by an appropriate time dimension, and accompanied by commensurate rewards and sanctions (Bonoma, 1984).

Annual objectives should therefore be compatible with employees and managers values and should be supported by clear and concise policies (Tregoe and Tobia, 1997).

2.4.2 Policies

Policies refers to specific guideline, methods, procedures, rules, forms and administrative practices established to support and encourage work toward stated goals (David, 1997). According Pearce and Robinson (1994), policies are broad, precedent-setting decisions that guide or substitute for repetitive managerial decisions making and therefore are directive designed to guide the thinking, decisions and actions of managers and their subordinates in implementing an organizations strategy. Policies set boundaries, constraints and limits on the kind of administrative actions that can be taken to reward or sanction behavior; they clarify what can and cannot be done in pursuit of the organization's objectives (Galbraith and Nathanson, 1978)

Policies let both the employees and managers know what is expected of them, thereby increasing the likelihood that strategies will be implemented successfully. Whatever their scope and form, policies serve as a mechanism for implementing strategies and obtaining

objectives. Policies represent the means for carrying out strategic decisions and hence should be stated in writing whenever possible (Hussy, 1988).

2.4.3 Functional Strategies

Functional strategies are the short-term activities that each functional area within an organization must undertake in order to implement the grand strategy. They must be consistent with the long-term objectives and the grand strategies. (Pearce and Robinson, 1994). According to Aosa (1992), functional level strategy focuses on achieving maximum use of resources i.e. attaining maximum resource productivity. Functional strategy addresses issues regarding the co-ordination and integration of activities within a single function (Hax and Majluf, 1991).

Each department in an organization faces its own set of problems and has developed distinctive traditions. So when a change in business strategy is announced, departments don't automatically revise their actions, instead, the fitting together of the new strategy with behaviour within a department calls for considerable managerial skills (Kazmi, 2002). It's important therefore to have close linkages between business strategy and the actions of departmental managers. Serious efforts to fuse departmental programs with strategic moves at the business level are important. This is because, execution of strategy is frequently held back or distorted at the departmental level while sometimes the business strategy itself may be unrealistic. In some business organizations, a single industry outlook is unlikely to fit all departments. The outlook in these diverse industries should be taken into account when specific strategy is being developed. Department's viewpoint should be closely linked to business strategy (Johnson and Scholes, 2002).

Although annual objectives, functional strategies and specific policies provide important means of communicating what must be done to implement the organization's strategy, more is needed to implement the strategy successfully (Pearce and Robinson, 1994). Whole organizations and groups may be assumed as taking strategic actions, its individuals who ultimately will, in practical terms, take actions and are responsible for driving an organization or a group towards objectives. Therefore, individual focused issues such as leadership style, personal ethics, and political behavior become important (Miller, 1996).

2.4.4 Institutionalization of the Strategy

Peter and Waterman (1982) came up with the 7-S McKinsey Framework that suggest that after the strategy has been designed, the managers should focus on the six components to ensure effective execution. These components include: structure, systems, shared values (culture), skills, style and staff. Aosa, (1992) observes that strategic implementation is likely to be successful when congruence is achieved between several elements. They are categorized into structure and process elements. Structure defines the configuration of a company showing relationships that exist between the various parts of an organization. On the other hand, process elements include leadership, culture, resources and other administrative procedures (Learned et al. 1969).

According to Pearce and Robinson (1994) for organizations elements provide fundamental long-term means for the strategy to be successfully implemented. These are structures, leadership, culture and rewards. These elements ensure that strategy permeates the organization's day-to-day life and thereby leads to successful implementation.

Successful strategy implementation depends in a large part on the firm's organizational structure. Organizational structure plays a crucial role in defining how people relate to each other and in influencing the momentum of change. (Clarke, 1994, Dawson, 1994). Its through structure that strategies attempt to position the firm so as to execute its strategy in a manner that balances internal efficiency and overall effectiveness (Galbraith and Nathanson, 1978).

Structure of a company should be compatible with the chosen strategy. If there is incongruence here, adjustments will be necessary either for the structure or the strategy itself. Chandler (1962) pointed out this important relationship by arguing that "structure follows strategy". Hax and Mujluf (1991) stated that structure and strategy interact. Strategy does influence structure but structure also constrains strategy alternatives. Learned et al. (1969) states that structure of organizations in certain circumstances are unimportant e.g., small companies where an individual direct planning and execution of activities.

Attention to the development of systems and procedures is also an integral part of the problem of coordinating efforts to achieve key strategic purposes (Reed and Buckley, 1988). The integrating potential of computer systems provides opportunities for managing chains of activities more effectively and coping with linkage problems (Saunders, 1994). Organizational culture often unstated is a set of important assumptions shared within the organization. Culture not only affects the way managers behave within an organization but also the decisions they make about the organization's relationships with its environment and its strategy (Lorsch, and MacCarthy, 1988).

Culture can be a strength or a weakness. As a strength, culture can facilitate communication, decision making and control, and create co-operation and commitment. As a weakness, culture may obstruct the smooth implementation of the strategy by creating resistance to change (Pearce and Robinson, 1988).

Aosa (1992) stated that it is important that the culture of a company be compatible with the strategy being implemented. Despande and Parasuraman (1986) argued that companies can run into trouble when they fail to take into account their corporate cultures as they make changes into their strategy. Managerial behavior arising out of corporate culture can either facilitate or obstruct the smooth implementation of strategy. A major role of the leadership within an organization is to create an appropriate strategy-culture fit (Kazmi, 2002).

The well-managed organizations apparently have distinctive cultures that are, in some way, responsible for their ability to successfully implement strategies. It has been established that every corporation has a culture that exerts powerful influences on the behavior of managers (Swartz and Davis, 1982).

The role of appropriate leadership in strategic success is highly significant. It has been observed that leadership plays a critical role in the success and failure of an enterprise (Kazmi, 2002). Leadership has been considered to be one of the most important elements affecting organizational performance. For the manager, leadership is the focus of activity through which the goals and objectives of the organizations are accomplished. (Sziglayi, 1980)

Adequate leadership is needed for effective implementation of strategy as this will ensure that all company efforts is united and directed towards achievement of organization's goals (Learned et al., 1983). Chief executives should play a leading role by helping in setting company values and giving positive lead (Roy, 1984)

2.5 Challenges of Strategy Implementation

There are many organizational characteristics, which act to constrain strategy implementation. Of particular importance are structure, culture, politics and managerial styles (Burns, 1996)

2.5.1 Connecting Strategy Formulation and Implementation.

Top managers need to recognize that they cannot plan everything, (Taylor, 1986). The assumption that top management can plan strategy implementation at the top then cascade down through the organizations is not tenable. It should be recognized that how top managers conceive strategy are not the same as how those lower down in the organization conceive of them (Johnson and Scholes, 2002). Therefore there needs to be ways of relating the strategic direction to the everyday realities of people in the organization. It is therefore vital that middle managers are engaged with and committed to such strategies so that they can perform this translation process. (Kazmi, 2002)

2.5.2 Resource Allocation

All organizations have at least four types of resources that can be used to achieve desired objectives. Financial resources, physical resources, human resources and technological resources (Thomson, 1990). Resource allocation is a central management activity that

allows for strategy execution strategic management enables resources to be allocated according to priorities established by annual objectives.

A number of factors commonly prohibit effective resource allocation. These include an overprotection of resources, too great emphasis on short run financial criteria, organizational politics, vague strategy targets, a reluctance to take risks and a lack of sufficient knowledge (David, 1997).

2.5.3 Matching structure with Strategy

Changes in strategy often require changes in the way an organization is structured. Organizations can be captured by their structures and systems (Johnson and Scholes, 2002). This is because; structure dictates how policies and objectives are established. Resource allocation of an organization is dependent on the kind of structure the organization has. There is no one optimal organizational design or structure for a given strategy of type of an organization (David, 1997)

When an organization changes strategy, the existing organization structure may become ineffective (Wendy, 1997). Symptoms of ineffective organizational strategy include too many levels of management, too many meetings attended by too many people, too much attention being directed toward solving interdepartmental conflicts, too large a span of control, and too many unachieved objectives (David, 1997). Changes in structure should not be expected to make a bad strategy good, or to make a bad manager good, or to make bad products sell (Chandler, 1962).

2.5.4 Creating a Strategy Supportive Culture

Strategists should strive to preserve, emphasize, and build up on aspects of an existing culture that supports proposed new strategies. Culture may be a factor that drives strategy rather than the other way round. (Kazmi, 2002). If the existing structure is antagonistic to the proposed strategy, then it should be identified and changed. People can be captured by their collective experience rooted in the past success and organizational and institutional norms (Johnson and Scholes, 2002). Changing an organization's culture to fit new strategy is usually more effective than changing strategy to fit existing culture (David, 1997).

2.6 Factors Influencing Strategy Implementation

For successful implementation of strategy, an organization should understand the impact on strategy of external environment, internal resources and competences and the expectations and influences of stakeholders (Johnson and Scholes, 2002)

The organization exists in the context of a complex commercial, political, economic, social and technological environmental and legal world. This environment changes and is more complex for some organizations than others. (Thompson, 1997). For successful implementation of strategy it is important for the organizations to understand historical and environmental effects as well as expected or potential changes in environmental variables (Johnson and Scholes, 2002).

The resources and competences of the organization make up its strategic capability, which enables success in implementation of chosen strategies. Just as there are outside influences on the organization and its choice and implementation of strategies, so are

there internal influences (Reed and Buckley, 1988). These internal influences constitute strengths and weaknesses. Competences such as skill and know-how enhance successful strategy implementation.

With the changing environment, there emerge a number of influences on an organization's purpose. Questions on who should the organization primarily serve and how should managers be held responsible influences strategy implementation. The changing expectations of different stakeholders affect the purpose and focus of the strategy (Johnson and Scholes, 2002). Cultural influences from within the organization and from the world around it also influence the strategy (Pearce and Robinson, 1994).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter focus on overall methodology used in the study. It involved the methods the researcher used to collect the data for the study. This includes research design, target population, data collection and analysis procedures.

3.2 Research Design

The study was conducted through a case study design. This was deemed appropriate because the study involved an in depth study of the ministry's strategy implementations challenges and the consequences of failure of strategy as the main cause of poor performance. According to Kothari (1990), a case study involves a careful and complete examination of a social unit, institution, family, cultural group or an entire community and embraces depth rather than breadth of a study.

The study investigated strategy implementation and its challenges among the government ministries through an intensive examination of Ministry of Public Works. Data was drawn from the Ministry to bring out key findings that would shed light on the subject.

3.3 Population

The population of the study is the public sector in Kenya; however the study was covered through detailed and thorough case study of the Ministry of Public Works, one of the Kenya's oldest ministries.

Ministry of Public Works has undergone changes in terms of size, structure and programmes having a wide experience of most of the challenges facing government

ministries. The organization was a good representation of the government ministries and findings of the study could be useful to other similar organizations,

3.4 Data Collection

An interview guide was used to collect data from the respondents. The researcher utilized both primary and secondary data. Primary data was collected by way of interview guide consisting of both closed and open ended questions. The respondents were drawn from all levels of management. The questions covered issues on strategy implementation and its challenges. The open ended questions permitted free responses from the respondents without providing or suggesting any structured form of replies. The closed questions enabled responses of the respondents to be limited to the stated alternatives.

Additionally, secondary data was sourced from studies and other reports by various stakeholders to supplement the primary data.

Brief follow up interviews were also held with the respondents in order to illicit more or further information and clarification on data submitted in the interview guide.

3.5 Data Analysis

Data was analyzed using content analysis because this study sought to solicit for data that was qualitative in nature given that it was a case study. Analysis of the data collected was compared with the theoretical approaches and documentations cited in the literature review.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND INTERPRETATIONS

4.1 Introduction

The study sought to establish the challenges faced by the ministry of Public Works in implementing its strategic plan. The method of data collection was personal interviews by the aid of the interview guide, which was given to the respondents in advance to enable them to recollect relevant facts. The chapter presents the analysis and findings of the study. The results are presented to highlight the convergence of ideas from the respondents.

4.2 Strategic Management Practices

The researcher sought to establish the strategic planning process at the Ministry of Public Works. The information given by the respondents is as captured below.

Figure 1



According to table 1 above, 91% of the respondents interviewed confirmed that the Ministry of Public Works has a formal strategic plan while 9% did not have any knowledge of the strategic plan.

When questioned on the strategic planning process, all the respondents who were aware of the strategic planning confirmed that the Ministry of Public Works has a vision and a mission statement well stated, framed and hanged in strategic places in the Ministry's offices. Additionally, most of the respondents who were aware of the strategic planning in the Ministry, confirmed that the strategic planning process encompassed determination of both the broad and the specific objectives of every department which formed an integral part of the strategic plan.

The respondents who acknowledged having participated in the strategic plan formulation, further confirmed that there was translation of the organization's mission into long term and short term performance objectives. The respondents further confirmed the objectives were translated into action plans that among others captured the intended activities, the expected output and the measurement criteria

Most respondents confirmed that the strategic plan was undergoing implementation.

4.3 Strategy Implementation

The researcher sought to establish whether Ministry of public Works had ever implemented any of its strategic plans and to what extent. The respondents confirmed that although the strategic plan was still under implementation, a lot of improvement had been seen in the coordination of activities, staff attitudes and organization's general performance.

Fig 2

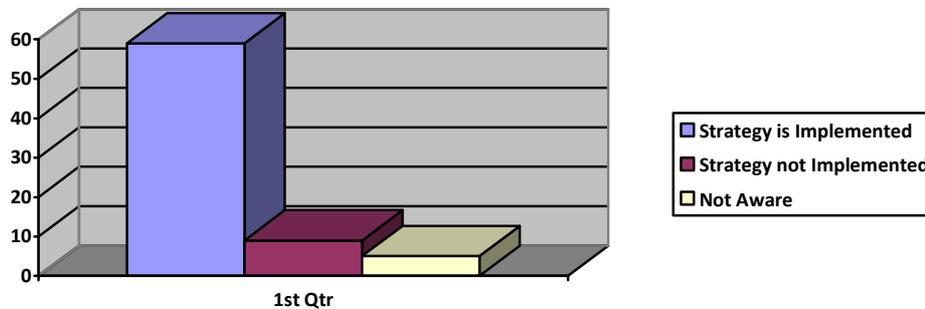


Figure 2 above shows the respondents on their awareness and the extent to which formal strategy implementation is being carried in the Ministry. Its worth noting that all the employees who responded that they were not aware were low grade employees.

The organization, however continued experiencing constrains to its strategy implementation process occasioned mainly by inadequate resources, unsupportive budgetary allocation, unsupportive policies, procedures and support systems.

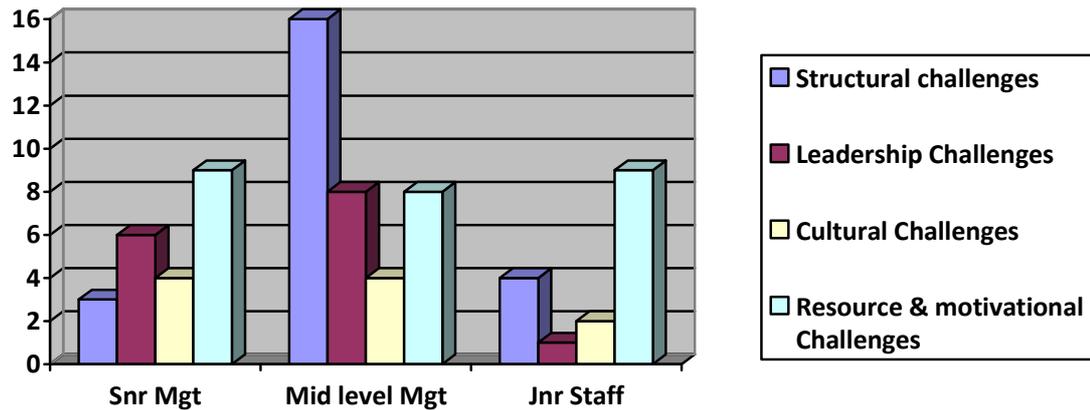
4.4 Challenges of strategy Implementation

The researcher also sought to establish strategy implementation challenges experienced by the Ministry of Public Works Staff and managers. Information was sought on both institutional and operational challenges.

Consequently, information was obtained on the identified institutional challenges which were, structural challenges, leadership challenges, cultural challenges, resource and motivational challenges. Similarly, challenges was obtained on the identified operational challenges which were; tactical and operational challenges, resource allocation, management and employee involvement, annual objectives, budgetary allocation and

communication of responsibilities and accountabilities. This is as shown in figure 3 below the spread of the challenges as responded by the different levels of management

Fig 3



4.4.1 Institutional Challenges

4.4.1.1 Structural Challenges

The organizational structure was tall, thus inhibiting effective coordination of operational activities and similarly inhibited responsibility and accountability. The tall structure additionally enhanced bureaucracy hence slowing the processes.

During the implementation of the strategy it was realized that unless the structure was supportive of the strategy being implemented, implementation would not be effective. Efforts were thus put in place to reduce the structure. This was not without challenges particularly on the inter departmental wars and politics. The Ministry created a post of Works Secretary to coordinate all the departments. While this was a much welcomed idea, however it faced a lot of resistance and the position lacked support because it was occupied by what the insiders considered an outsider read political appointee. it

transpired that the organization considered structure to be a major challenge to the implementation of strategic plan hence critical need to align it to strategy.

4.4.1.2 Leadership challenges

The respondents confirmed that since top management of ministries are political appointees whose stay at the ministry are not secured by any tenure of service, leadership does not come into sharp focus and particularly in strategy implementation. This has laid a lot of responsibilities and accountability on the departmental heads rather than by Ministry's top management. This showed that the organization considered leadership as an important factor in strategy implementation.

4.4.1.3 Cultural changes

The respondents acknowledged that there is need to align culture to the strategy being implemented. They acknowledged that the culture that prevailed in the organization was not supportive of the strategy. Both the management and the staff was lethargic and were not results oriented. Generally complacency prevailed in the organization

4.4.1.4 Reward and Motivational Challenges

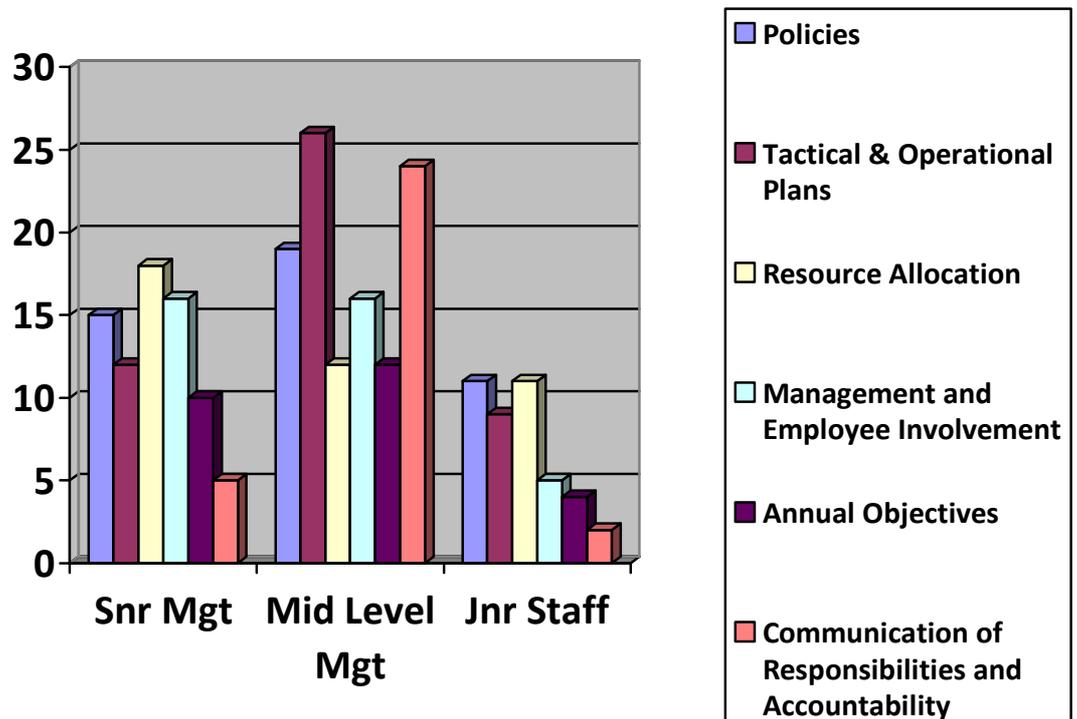
Most of the respondents noted that proper remuneration was critical to the success of the strategy implementation. This was also noted as a major problem. The organizations desire to improve remuneration was inhibited by both regulations and unavailable resources. The scale of service by the Public Service Commission also provided inhibition to this goal. These put ministries and government institutions in a very awkward positions in that they can neither attract nor retain highly qualified staff. It was

noted that recently one of the Ministry's department had placed a nationwide advertisement for sixty position of graduate quantity surveyor and only thirty six applicants responded, and out of the thirty six only eighteen took up the positions and in less than six months after being taken into employment six have since resigned. The respondents observed that this situation had posed a major obstacle to successful strategy implementation.

4.4.2 Operational Challenges

The results for these challenges received from the repondens are summaries in the figure 4 below

Fig 4



4.4.2.1 Policies

Most of the respondents confirmed that policies, procedure and support systems were considered to be key to strategy implementation. most of the respondents acknowledged that the existing policies, procedures and support systems were not supportive of the strategy implementation. It was indicated that the policies, procedures and support systems at the ministry had to be consistent with the broader policies of the government whether those policies were favorable to the Ministry's specifically or not.

The major aspects of the policies that posed a challenge to the strategy implementation were leadership policies, reward policies motivational, resource allocation policies and budgetary allocation

4.4.2.2 Tactical and Operational Plans

Ninety percent of the respondents confirmed that the Ministry of Public Works had strategic plans, and that these plans enable the organizational functional areas (departments) to fulfill their requirements under the strategic plan. The organization has five departments namely; Architectural Department, Quantities and Contracts Department, Civil and Structural Engineering Department, Electrical and Mechanical Engineering Departments and the Kenya Building and Research Centre.

The ministry also has offices in every province and every district. The respondents confirmed that the operational plans involved planning of activities undertaken by the different heads at various levels and locations and involved shorter periods.

4.4.2.3 Resource Allocation

While the respondents recognized that resources allocation was a critical tool to successful implementation of the strategic plan, they indicated that the scarcity of the resources posed a major challenge to strategy implementation at the Ministry of Public Works.

The aspects of resources allocation that were considered to be problematic were financial resources, technological resources, human resources and in some instances physical resources

On human resources, the organization had a long serving employees with majority of the senior management having served the organization for well over 20 years. These employees understood the organization and are able to steer the organization through strategy formulation and strategy implementation. However, other still felt that this group of managers were responsible for the stifled progress and still held back by their past experiences and their resistance to change.

4.4.2.4 Management and Employee Involvement

From the research findings, the formulation of the strategy was done by the senior management only, then communicated downwards to middle level management. According to respondents this inhibited the understanding and couple with poor communication channels of internal memorandums, and the bureaucracy posed a single major challenge to strategy implementation.

4.4.2.5 Annual objectives

The respondents confirmed that the Ministry of Public Works had annual objectives and the organization had used annual objectives to identify what should be accomplished each year to achieve the organizational goals. The respondents further confirmed that the annual objectives served as standards of performance. The respondents observed that the annual objectives were crucial for successful implementation of strategy.

4.4.2.6 Communication of Responsibility and Accountability

The respondents confirmed that communication of responsibility and accountability with regard to the strategic plan was critical to the organization. This was particularly so because of the formulation of the strategic plans, there was very little involvement of the middle and lower level carders of employees. The respondents also noted that the communication of the responsibilities and accountability had not been sufficient. The respondents indicated that the senior management which was involved in the formulation of strategy and operational plans, the middle and lower levels of management who engaged in the actual implementation of the strategy were merely assigned responsibilities. This has not been supportive of the strategy implementation.

CHAPTER FIVE: SUMMARY, DISCUSSION AND CONCLUSION

5.1 Introduction.

This chapter give the summary, discussions and conclusions drawn from the study. The chapter also covers the limitations of the study, recommendations for further research.

5.2 Summary

The objective of the study was to determine strategy implementation challenges at the Ministry of Public of Works in Kenya. The findings of the study indicated that there were formal strategic plans. It was noted that despite this it faced various challenges as it failed to align some of the most critical strategy supportive aspects of the organization. For instance in the implementation of the strategic plans, leadership, structure, culture, budget, and resources were not aligned to strategy this posed a major challenges to the success of the strategy being implemented. With unsupportive leadership, structure, culture, budget, and political interference, while the organization was unable to motive their staff who barely met their mandate.

Additionally, communication of responsibility and accountability was a big problem, the organization inability to align reward and motivational structures, policies and procedure and support systems and the budget only added to the strain in implementation of the chosen strategy..

Unfortunately, most of these challenges were occasioned by factors outside the direct control of the managers of the Ministry of Public Works. These were due to the restrictive regulations and broader policies under which the organization operated. The Ministry therefore lacked the absolute power to change the position for the better.

5.3 Discussions

Difficulties in strategy implementation are partly occasioned by obstacle to the implementation process. The Ministry of Public Works was a victim of these challenges and was not able to build an organizational capability supportive of the strategy. Unfortunately many of the public sector organizations does not have absolute control of all these variables. Some past studies (Awino,2001; Koskei, 2003; and Wambugu, 2006) observed that there has to be a tight fit between strategy and how the organization does things. Successful strategy implementation involves creating a series of tight fits between strategy and the organizational skills and competences; between strategy and the budgets; between strategy and internal policies, procedures and supportive system; between strategy and reward system, and between strategy and the corporate culture. The tighter the fits the more powerful the strategy execution becomes and the more likely targeted performance can actually be achieved

The Ministry of Public Works' inability to match its resources, rewards systems and policies and procedures with its strategic plans posed a major threat to its strategy implementation process and, indeed led to failure of its strategies. It is however, worth noting that the Ministry of Public Works operated in a restrictive environment. Koskei , 2003 observes that the state corporations operate in a complex environment, which is more unpredictable and less stable. Their objectives are more ambiguous and less distinguishable and fluctuate in their order of priority depending on the government ever changing political agenda. The Ministry's management do not have the freedom to optimize its own performance by executing the developed strategies.

5.4 Conclusions

Strategy implementation no doubt appears to be the most difficult part of strategic planning process, and many strategies fail at the implementation stage. It is clear that for any organization to successfully implement strategy it must ensure the existence and the alignment of all strategy supportive aspects of the organizations. This means that for an organization to experience successfully strategy implementation it must have tight fits between these supportive aspects with the strategy being implemented. The absence of this will pose challenges during implementation.

5.5 Limitations of the study

Scarcity of resources, mainly time and money, limited the sample size taken by the researcher. A larger sample size and mainly the field offices would have given the researcher a more representative position of the organization. The study involved only the current staff. Those who are no longer in the organization might have had better explanations on their reasons for seeking alternatives opportunities. Similarly, some of the current junior staff just joined the Ministry and did not have adequate knowledge of the strategies being implemented.

5.6 Suggestions of Further Study

Although the researcher carried out an in depth study of the Ministry of Public Works, it was broad and dealt with various challenges that affect strategy implementation. Further research should be conducted on each of the challenge independently. Similarly, this was an in depth study on the Ministry of Public Works which is one of the many government ministries in Kenya. A survey on strategy implementation challenges in these other

ministries could be conducted in future research, further the study was carried out during a peculiar political time during the grand coalition government formed after the post election violence, and in the formative period of implementation of the new constitution. A similar study could be carried out after the full implementation of the recently promulgated constitution and when one party government is in place

REFERENCES

- Alexander, L.D., (1985). Successfully Implementing Strategic Decisions”. Long Range Planning
- Aosa, E., (1992) An Empirical Investigation of Aspects of Strategy Formulation and Implementation Within Large, Private Manufacturing Companies in Kenya (unpublished PhD Thesis)
- Ansoff, H. I and McDonnell E. J. (1990), Implanting Strategic Management, Second Edition, Prentice Hall.
- Bonoma, T. V., (1984) “Making Your Marketing Strategy Work” Harvard Business Review. (March –April)
- Burnes, B., (1996) Managing Change: A Strategic Approach to Organizational Dynamics. Pitman publishing, London
- Chandler, A.D. (1962), Strategy and Structure, Cambridge, Mass: MIT Press.
- Clarke, L., (1994) The Essence of Change. Prentice-Hall London
- David, F.R., (1997) “Strategic Management” Francis Marion University:239
- Dawson, P., (1994) Organizational Change: A Processual Approach, Paul Chapman Publishing, London.
- Deshpande, R., and Parasuraman, A., (1986). “Linking Corporate Culture to Strategic Planning” Business Horizons, 29(3).
- Galbraith, J.R., and Nathanson, D.A., (1987) Strategy implementation: The Role of Structure and process. West Publishing Company, St Paul Minnesota.
- Government of Kenya (2001): A Strategy for performance Improvement in Public Service, Government printers.

- Hax, A., and Majluf, N., (1991). *The Strategy Concept and process: A pragmatic Approach*. Prentice-Hall International, Inc.
- Johnson, G. and Scholes, K. (1997), *Exploring Corporate Strategy*, Prentice Hall of India.
- Johnson, G. and Scholes, K., (2002) *Exploring Corporate Strategy*, 6th Edition, Printice-Hall Europe.
- Kazmi, A., (2002) *Business policy and Strategic Management*, 2nd Edition, tata McGraw-Hill Company Limited.
- Learned, E.p., Christen, R.C., Andrews, K.R., and Guth, W.D., (1969) *Business policy*”: Text and Cases. Richard D. Irwin, Inc.
- Lorsch, J.W., *Managing Culture: “The Invisible Barrier”* McCarthy, R.J., Minichiello and Curran, J. B., (1988) *Business policy and Strategy: Concepts and readings*, 4th Edition, Homewood, IL: Richard D. Irwin.
- Pearce, A. J. and Robinson, B. R. (2007). *Strategic Management: Formulation Implementation and Control*, Richard Irwin Publishers, USA.
- Porter, M. E. (1985). *Competitive Advantage; Creating and sustaining superior performance*. New York, Free Press.
- Porter, M. (1996), *The Competitive forces shaping strategy*, Harvard Business Review, March-April.
- Reed, J. and Buckley P., (1988) “Risks in Strategy Implementation”: 130-140
- Saunders, M., (1994) *Strategic Purchasing and Supply Chain Management*, Pitman Publishing.
- Smith, B. (2002) *Strategic Responses to market changes*. International Journal of Medical Marketing Vol. 3 No. 1 pp80-85

Taylor, B., (1986). "Corporate Planning for 1990's: The New Frontiers." Long range planning, 19(6)

Thomson, J.L. (1990). Strategic Management: awareness and Change, Chapman and Hall

Thompson, J.L., (1997) "Feasibility and Desirability of Strategic Management" Chapman and Hall.

Wendy, R., (1997). "Implementation of Chosen Strategy"; Chapman and Hall.

APPENDIX I: INTERVIEW GUIDE

PART A – RESPONDENT’S PERSONAL INFORMATION.

1. Department
2. Position held

PART B- STRATEGIC MANAGEMENT PRACTISES

1. Does Ministry of Public Works have a vision statement

Yes NO

If Yes State

2. Does Ministry of Public Works have a mission statement

Yes NO

If Yes State

3. Does Ministry of Public Works have long term plans

Yes NO

If Yes how many years does it cover?

- i. 3 years

- b) Occasionally
 - c) Rarely
 - d) Never
 - e) Do not Know
5. Do the current policies adequately support the Ministry's strategic plan? Please tick the choice that best describe the status
- a) Very adequate
 - b) Slightly adequate
 - c) Less adequate
 - d) Not at all
 - e) Do not Know

4. Is the current organizational culture supportive of the implementation of the documented strategy in the Ministry's Master Plan

YES

NO

Briefly explain_____

5. In your opinion what is the contribution of the Minister in providing leadership to ensure strategy implementation. Please cite some examples

6. In your opinion do the members of staff possess sufficient skills and competencies to be able to implement the documented strategies?

7. Have you attended any training in the last 2 years in order to enhance your ability to implement documented strategies?

8. If yes in Q7 above please list them

a)

b)

c)

9. Are the financial resources needed to implement the documented strategies readily available?

10. How does the ministry reward officers who exemplary implement the documented strategies?

11. Has your department held a meeting to evaluate the challenges encountered in implementing strategies as documented in the master plan?

YES

NO

PART D – CHALLENGES IN STRATEGY IMPLEMENTATION

1 What in your opinion are the three major challenges that your ministry face in implementation of the documented strategy

a)

b)

c)

2 Please comment briefly on the most predominant culture in your department

3. Is there political interference in execution of the chosen strategies?

YES

NO

Briefly explain_____

4 In your opinion, how do government regulations and policies as issued from time to time affect the implementation of the documented strategy

Briefly explain _____

3. In your opinion how does corruption contribute to smooth implementation of the chosen strategies?
