

**STRATEGIC PLAN IMPLEMENTATION AT THE HIGHER
EDUCATION LOANS BOARD OF KENYA**

BY

ATANDI BEATRICE KERUBO

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

OCTOBER 2010

DECLARATION

This research project is my original work and has not been submitted for a degree in any other university.

Signed.....

Date.....

Atandi Beatrice

D61/70233/2007

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

Signed.....

Date.....

Prof. Evans Aosa

Department of Business Administration

University of Nairobi

DEDICATION

To my lovely children, Abby and Gabby.

You are the drive behind this project.

ACKNOWLEDGEMENT

I am grateful to God for seeing me through this work. I can't have managed without you God.

My two children though in their tender age gave me the support and drive I needed. Abby you knew mom would make it and for you baby Gabby, at three months your smile did it for me! Thank you guys.

I thank my parents and my siblings. They believed in me and never ceased to encourage me when the going felt tough.

I owe my gratitude to my supervisor Prof. Aosa for the invaluable guidance and every minute he spared to instruct me.

I am thankful to the management of HELB for sharing their insights and making this study a success.

To everybody else who in their own way made a contribution to this project, a big thank you.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF ABBREVIATIONS	viii
ABSTRACT	ix
CHAPTER 1: INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Implementing Strategic Plans	2
1.1.2 Higher Education in Kenya	5
1.1.3 The Higher Education Loans Board	6
1.2 Statement of the Problem	8
1.3 Objective of the Study	10
1.4 Significance of the Study	10
CHAPTER 2: LITERATURE REVIEW	12
2.1 The Concept of Strategy	12
2.2 Strategic Management	15
2.3 Strategy Implementation	17
2.4 Factors Affecting Strategic Plan Implementation	20

CHAPTER 3: RESEARCH METHODOLOGY	28
3.1 Research Design.....	28
3.2 Data Collection.....	28
3.3 Data Analysis	29
CHAPTER 4: DATA ANALYSIS, RESULTS AND DISCUSSION	30
4.1 Introduction.....	30
4.2 Awareness on HELB Strategic Plans	30
4.3 The Implementation Process	31
4.4 Factors Affecting HELB Strategic Plans Implementation	33
4.5 Challenges HELB Faces in Strategic Plans Implementation	38
4.6 Discussion of Results	40
4.6.1 Relationship to Empirical Studies.....	40
4.6.2 Linkage of the Findings to Theory.....	42
CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATIONS	43
5.1 Summary	43
5.2 Conclusion.....	44
5.3 Recommendations	45
5.4 Limitations of the Study	46
5.5 Suggestions for Further Study.....	46

REFERENCES.....48

APPENDICES

Appendix I : Letter of Introduction.....54

Appendix II: Interview guide.....55

LIST OF ABBREVIATIONS

HELB Higher Education Loan Board

HELF Higher Education Loans Fund

CEO Chief Executive Officer

GOK Government Of Kenya

IT Information Technology

NSSF National Social Security Fund

ABSTRACT

David (2003), describe strategy implementation as a hard and time consuming but vital phase in strategic management. Thompson and Strickland (1990) view it as an interplay between several forces. There's no one best way of strategy implementation but HELB must successfully implement its strategic plans. This is because HELB occupies a strategic position in financing higher education in the country. Besides being a statutory requirement, the board has embraced strategic plan implementation as a management tool to enable it achieve its core objectives.

The study sought to find out how the board is implementing its strategic plans and the challenges encountered in its pursuit. Data was collected from senior management using an interview guide. The choice to interview this team was informed by the fact that they drive the formulation and implementation of the strategic plan thus considered rich in information relevant for the study. Secondary data was obtained from the HELB newsletters, brochures and HELB strategic plans. Content analysis was used to derive information from the collected data. It was found out that the implementation process though deemed as demanding, the management is keen to see its success.

The findings from the study indicate that the implementation process was participatory. All staff are involved in the strategic plan implementation, management has taken upon itself to drive the process and to drum-up support from all staff for the same.

Management is working on sensitizing all staff on the need to have the strategic plan as a living and operational document and to own it.

It was further revealed from the findings that the challenges noted as inhibiting the strategic plan implementation include limited financial resources, resistance to change, incapacitation in terms of infrastructure, technology, organizational structure and skills. A broader picture of the challenges the board faces are a projection of what the future holds for the organization. Pertinent factors such as government regulation including the threat that some courses may not be financed raises possibilities of alternative financing.

More concerns that precipitate the challenges the board is facing include the new constitution which emphasizes on access to basic education. This with the advent of the East African community put the board on notice to reassess its capabilities. Further, the thousands of students not being financed by the board though they are eligible provide a ready market for any organization that can accommodate them, threatening the position of the board. These call for regular reviewing of the strategic plan to make sure it keeps pace with the emerging trends and its successful implementation is crucial.

The study findings reveal a link and relationship with other studies on related subject carried out by other researchers. These include studies by Manyarikiy (2006), Ngumo (2006), Olali (2006) and Gesare (2006). They indicated that organizations pursuing strategy implementation faced various challenges, a factor confirmed by the findings of this study. This study enhanced their earlier findings by finding out the implementation process at HELB a factor many of these scholars did not look into.

The study was limited by the fact that the researcher having adopted a case study design makes it difficult to generalize the findings. The results of the analysis cannot be inferred to other organizations. The study was also limited by time. The researcher had to work within a limited time span and this meant that intense exposure to the subject variables may have been constrained.

The study suggests that similar studies involving operational staff be carried out to get their insight regarding strategic plan implementation at HELB. This is because they are directly involved in execution. It would also be important to evaluate the effectiveness and efficiency of the implementation process against the set targets. This would give a clear picture of HELB achievement upon the lapse of the plan period.

CHAPTER 1: INTRODUCTION

1.1 Background of the Study

One of the hallmarks of any well managed organization is the ability to optimally reposition itself in a competitive business environment (Drucker, 1954). This can only be achieved by anchoring core activities of the organization to the realization of the set objectives. Strategic management forms a basis on which such businesses are run. The strategic management process involves formulation, implementation and evaluation of decisions geared towards achieving organizational objectives.

Strategy implementation though deemed difficult (David 1997) is undoubtedly a critical phase for organization survival. Formulated strategies may fail if implementation is not effectively and efficiently done (Steiner, 1979). According to Johnson and Scholes (1999), successful strategy implementation is a factor of organizational structure, resource allocation and strategic change management.

In Kenya, strategic plan formulation and implementation is a statutory requirement for state corporations. Whether it's merely an act of compliance to the law or for the benefits derived from adoption of strategic plans, organizations are increasingly embracing them. The strategic plans stipulate the company objectives and the strategies that have been put in place to bring the organizational goals to pass.

The Higher Education Loans Board (HELB) has formulated two (2) strategic plans with its premier one covering the period 2002-2007. In the year 2009, HELB launched the 2nd strategic plan for the years 2009-2014, which is now being implemented. HELB being the sole state corporation that runs a student loans scheme in Kenya plays a great role in enhancing accessibility of higher education by the Kenyan populace. There's therefore need to establish how HELB implements its strategic plan and the challenges therein.

1.1.1 Implementing Strategic Plans

Thompson and Strickland (1989) describe a strategic plan as a blue print for managing the organization. It stipulates the direction for the organization to follow. According to Steiner (1979), strategic plans are critical in today's turbulent and rapidly changing environment. In their description, these authors underscore the essence of strategic plans in an organization, the reason they cannot be overlooked.

David (1997) indicates that strategic plans are of a commanding significance in strategic management. Organizations that successfully implement strategic plans derive from benefits such as provision of a framework for coordination of activities towards achievement of planned goals. The strategic plans also provide a channel for effective communication within the organization and with its clients and shareholders.

A strategic plan aligns the resources of an organization towards achieving its goals, but it's not until an action is taken that the goals of the organization can be said to have been realized. A strategic plan has to therefore be managed for its success. This then results in a process commonly referred to as strategic management which involves strategy formulation, analysis, choice and implementation (Johnson & Scholes 2002; Pearce & Robinson 2003).

Each phase of strategic management is important as it contributes to the end result of the whole process. Strategy implementation referred to as the action phase (Pearce and Robinson 2003) of strategic management is a vital phase and it thus deserves emphasis. Thompson et al (2007) describes this phase as a 'make things happen activity' implying that its orientation is execution. It entails converting strategic plans into actions.

Strategy implementation though deemed as heavily demanding (Ngumo 2006) cannot be overlooked by an organization seeking to achieve its goals. Upon its success, it gives an organization its lifeline. Effective implementation of a strategic plan elevates an organization's performance, securing competitive advantage in the market. Internally, the strategic plan is an unparalleled communication tool, allowing for harmony within.

Successful strategy implementation depends on commitment from all levels of the organization and how well the organization aligns itself for the same (Mugo 2007). It's

therefore not a venture of the low cadre operations staff. It is an all inclusive process that calls for the input of the management alongside with that of the middle and lower levels of employees. As Thompson et al (2007) point out, good strategy execution requires diligent pursuit of operating excellence.

Implementing the strategic plan satisfactorily requires that the plan be institutionalized (David 1997). It calls for change in organizational units and hinging the focus of the whole lot of employees on results. Other forces that come into play include building organizational competencies and capabilities, strategy friendly working environment and motivating the workforce to meet performance targets.

Success in strategy implementation is measured by the organization's ability to meet or exceed its strategic objectives, excellence in financial performance and exude good progress in achieving the strategic vision. This is however not an easily achievable task. In describing the magnitude and intensity of what successful strategy implementation takes, David (1997) asserts that work starts at implementation.

A number of challenges have been attributed to the low percentage score in successful implementation of strategic plans. Mintzberg and Quin (1991) observe that fewer than 45% of strategies are effectively implemented. Difficulties associated with the implementation include; lack of awareness on the existence and content of the strategic plan due to poor communication, lack of management commitment, conflict of individual

interest versus organizational obligations, influence from the external environment among others. Poor implementation has been cited as one of the factors that have seen beautifully crafted strategic plans yield nothing in terms of expectations.

1.1.2 Higher Education in Kenya

HELB is a major player in the financing of higher education in Kenya. Higher education in Kenya can be traced back to 1922, with students benefiting from the then Makerere College in Uganda which was serving the needs of the three East African countries (Nyaigotti, 2004). The University of Nairobi was the first to be established in Kenya in 1970. This institution was revamped to provide the needed workforce for the independent Kenya (Mutula, 2002).

The rise in demand for higher education saw the establishment of other universities in Kenya. These were Kenyatta, Egerton and Moi Universities among many others that have now been developed. This high demand for university education has led to a number of challenges. According to UNESCO World Conference on Higher Education (1998), Universities are faced with issues such as dwindling funds from the government and high levels of student intake compared to university capacity.

The government allocates in excess of 30% of its budgetary allocation on education. Despite it being larger compared to other ministries, this amount is not sufficient in light of the increasing demand for higher education. This has necessitated drastic measures like cost sharing to be adopted to ease the pressure on the government's financing on

higher education. Many other countries have adopted state sponsored student loan schemes (Achola, 2009). The state intervention has seen the creation of public lending bodies (Albrecht & Ziderman, 1991). They are notably prevalent in parts of Asia like Hong-Kong and Australia; Latin America, Egypt among others.

The government executes its mandate of financing higher education through the HELB. The government shares some of the cost of financing higher education with the beneficiary. Besides heavily subsidizing tuition fee for its sponsored students, the government extends loans to these students, with the anticipation that the same would be recovered subsequently easing pressure on the national budget (Achola, 2009).

The government backed loans mode of financing higher education in Kenya has enabled many to access higher education. The ever growing demand for the loans against dwindling recovery figures has however strained accessibility by all. This then calls for radical reviewing of the board's strategic management practices to meet its objectives and increased need for to develop other entrepreneurial activities to raise additional funds.

1.1.3 The Higher Education Loans Board

HELB is a state owned corporation which was established in 1995 by an Act of Parliament. In its mandate, HELB administers the student loan scheme. This entails disbursement of loans, scholarships and bursaries to Kenyan students. It's also charged with loan recovery from past loanees. The board has the responsibility of establishing a

revolving fund that would see it refinance itself from repayments and funds drawn from other sources.

Loans scheme in Kenya dates back to 1952 when the colonial government began issuing loans through the then Higher Education Loans Fund (HELF) to students pursuing studies outside East Africa. By the 1970s, the number of students seeking higher education had risen, and so did the demand for loans. This was occasioned by the desire of the African government to produce an educated populace to meet its projected manpower shortfalls after the expatriates left (Republic of Kenya, 1964).

In 1973, the government introduced the university students loans scheme that too was not successful. The defunct scheme was mandated to extend loans to students at Makerere, Dar es Salaam and Nairobi universities. The failure of this loans scheme was associated with the manner in which it was constituted, as it lacked legal basis to pursue its major objective. This meant that recovery was not easy making it difficult for the fund to self-sustain as there was no continuous source of finance.

The government in 1995 established HELB in a bid to address the shortfall of the previous schemes and to pursue its fresh mandate. The board has had tremendous success but a fair share of challenges too. The successes of the board are evident in its improved loan recovery. At inception, the recovery rate was 3.3% as compared to the current over 30%. The board's lending capacity has also seen significant growth with privately sponsored students now benefiting.

In the year 2003, HELB embarked on an ambitious corporate strategic plan intended to improve efficiency. The strategic plan set out the board's long-term goals and priorities over a period of 5 years. During the plan period (2002-2007), the board experienced an upsurge in demand for its loans due to government reforms in the education sub sector. HELB is in the process of implementing strategic plan for the period 2009-2014. By providing loans for higher education, the board contributes to the creation of a globally competitive human resource. It's also presumed that the document shall guide the management to strategically deploy resources to realize efficiency and effectiveness to enhance competitive advantage.

The rising demand for university education raises challenges for HELB in its loan management. The current strategic plan is a response to the need for preparedness to cope with the anticipated challenges. It provides a new mission anchored on past achievements, unique experience, established institutional infrastructure and competence. It also provides a milestone and objectives for assessing HELB's response to the expanded university enrolment and demand for student loans. A strategic plan is thus a vital document to the board and its successful implementation is critical.

1.2 Statement of the Problem

According to Thompson and Strickland (1990), strategy implementation is viewed as an interplay between several forces of which the chosen strategy is the centerpiece. It

involves systematic development of procedures and policies to enhance commitment from stakeholders in executing and evaluating success of strategies being pursued (Kaplan and Norton, 2001). Strategy implementation is considered hard and time consuming and as David (2003) puts it, work begins at implementation.

Success of an organization is pegged on how it implements its strategy. The implementation process is not without challenges, as was found out by researchers like Manyarikiy (2006), Ngumo (2006) and Gesare (2006), to mention but a few. These arise from various factors such as lack of commitment from management, poor organizational structure, lack of resources, conflicting individual and organizational interests and poor or lack of communication (Steiner 1979).

Various scholars have carried out research on different aspects of strategy implementation in the private and public sector organizations in Kenya. The scholars include Awino (2000); Koskei (2003); Ngumo (2006); Muthiga (2004); Ochanda (2005); among others. Few researchers like Manyarikiy (2006), and Gesare (2006) focused on strategic plan implementation in state corporations. From the year 2002 when HELB adopted its first strategic plan, no known study exists on strategic plan implementation at the board. Given its uniqueness as the sole state corporation running students' loan scheme in Kenya, there's need for comprehensive studies on how HELB implements its strategic plans and what challenges it faces.

HELB is a state corporation that has developed and adopted strategic plan implementation. The board is a key player in financing higher education in Kenya and requires strategy to effectively operate. Strategy implementation is a challenging exercise, nevertheless HELB has to implement the strategic plans successfully. The implementation process is monitored and reviewed using tools such as regular departmental reports and annual performance appraisals. There's no one best way of implementing strategic plans. The study seeks to establish how HELB implements its strategic plans and the challenges the organization faces.

1.3 Objective of the Study

The study has two objectives. These are to establish:

- a) How HELB implements its strategic plans.
- b) Challenges HELB faces while implementing strategic plans.

1.4 Significance of the Study

This study is significant in three major ways. First, the study will document the process of strategic plan implementation at HELB, enabling development of appropriate policies to tackle emerging issues. The findings of the study will also inform improvement on future strategic plans.

In practice, the study will benefit management of other state corporations seeking to implement and improve on their strategic plans. Institutions initiating their strategic plans will find valuable insights on strategy implementation in this study, to provide an understanding on implementation.

Thirdly, the study will add to the pool of knowledge useful to other researchers for reference regarding strategic plan implementation on state corporations. This research may build on the existing theories on strategic plan implementation. Thus contributing and enriching this area of strategic management.

CHAPTER 2: LITERATURE REVIEW

2.1 The Concept of Strategy

Some of the early writers in the field of strategy include Drucker (1954), who emphasized on management based on objectives. He observed that setting objectives define a business domain and enable direct the operations of organizations towards accomplishing them. Chandler (1962) in defining strategy pioneered the proposition that structure follows strategy. In 1965, Ansoff made his contribution to strategic management with a focus on strategy- capability gaps. This is where analysis is done to determine where the organization is and where it is anticipated to be and the strategies organizations adopt for repositioning.

Strategy has been given different definitions by various authors and scholars. In his definition, Ansoff (1987) describes strategy as a rule for making decisions. He seeks to differentiate policy and strategy. He indicates that while policy is a general decision that is always made in the same way whenever the same circumstances arise, a strategy applies similar principles but allows different decisions as the circumstances differ. This definition stands out as it captures and takes cognizance of the changing business environment.

Johnson and Scholes (1993) define strategy in terms of the scope of an organization's activities, the matching of the organization's activities and resource capability. They also considered the allocation of resources in the organization and the values, expectations and goals of those influencing strategy which determines the long term direction of the organization. This definition implies that by assessing the organization as a whole in terms of the activities, capabilities, resources, and direction, it's possible to tell the kind of strategy being pursued.

Porter (1980) views strategy as the goals and policies an organization adopts to stay afloat amidst fierce competition. Strategy is about action which gives a firm its direction and from strategy emanates strategic management. The latter has got to do with the holistic actions that are geared towards realizing the future of the company. Strategy implementation is the vital link that completes the strategic management process.

Mintzberg and Quinn (1998) define strategy as a play, ploy, a pattern, a position and a perspective. Plan is seen as a consciously intended course of action in order to achieve a desired objective. Ploy on the other hand is a trick seeking to disguise the actual intentions of an organization in order to deceive a rival company. Position is viewed as an organization's standing in relation to the competitors and market share which defines the market power. In their choice of perspective to describe strategy, they sought to define strategy by the way the organization conceives the outside from the inside. This

definition is wholesome and brings out the different angles and avenues that an organization adopts in achieving its goal.

Johnson and Scholes (1993) in their view have given different approaches to strategy. These include a cultural approach where strategy has been viewed as a pattern of behavior arising from the culture embedded in the organization. Natural selection is the other approach as viewed by these scholars where the organization is pressurized to adapt to environmental changes. In this case, strategy is seen as being driven by changes in the environment. Their rational approach is where deliberate planning systems are put in place in determining organizational strategy. Finally, their political approach stipulates that strategy emerges from trade-ins of individual and organizational demands and interests to strike a balance.

According to Tampoe and Macmillan (2000), strategy envisages various important aspects which include among others: strategy as a statement of intent, where strategy is deemed as a clarification of a corporate purpose as may be defined in the company's mission and vision. Secondly, strategy is a fit between capabilities and opportunities where strategy is looked at as a factor that matches the capabilities of an organization and the organizational abilities to achieve success. Thirdly, strategy is regarded as a responsibility of leaders. Leaders define strategies that influence the daily operations of an organization.

2.2 Strategic Management

Drucker (1955) in defining strategic management gives a pointer towards the difficult task of balancing short and long term goals in an uncertain future. Strategic management leverages an organization for future success. Strategic management is incomplete and of little value without effective implementation. The latter is an integral part of strategic management, the reason the process and content of strategy should incorporate all dimensions of implementation.

Strategic management has been described by Johnson and Scholes (1993) in terms of deciding on strategy to be adopted and how the strategy would be executed. This is reflected in the organization's strategic analysis, strategic choice and implementation. This definition highlights the major phases in strategic management and an organization can pride in success if it observes them diligently.

In relating a firm to its environment, Ansoff (1990) portrays strategic management as an organized and crucial approach vested on management to re-position the firm in a turbulent environment in a manner that will ensure success. He brings out the measure of an organization's capabilities against a turbulent environment. It further defines how a firm strikes a balance so as to continue operating.

From the strategic management definitions alluded to above, it's clear that strategic management encompasses the entire organization and focuses on the long-term

developments. While small businesses may engage one person to lead the organization towards achieving strategy, big organizations may contract staff regarded as the management to take responsibility for strategic management. It is in these large organizations where strategy referred to as corporate strategy that covers the whole group or entire organization is clear cut.

Strategic management involves strategic planning. Strategic planning can be defined as the process of developing and maintaining consistency between the organization's objectives and resources and its changing opportunities (Robson, 1997). It therefore aims to define and document an approach to doing business that leads to satisfactory profits and growth. Strategic planning turns an organization's mission into concrete achievables which are contained in a strategic plan.

A strategic plan represents the values and priorities of the organization. Its components include the company mission, Goals, strategy and policy. Thompson et al (2007) in defining the importance of strategic plans state that a strategic plan enables a company to cope with challenges in the industry and the competition forces. It lays out the company's future direction vide performance targets and the strategies to achieve them.

Strategic plans may be in written, in which case the document is circulated for implementation. In small family businesses, seldom do written documentation of strategic plans exist but this doesn't mean that these organizations do not follow any strategy. According to David (1997), strategic plans serve as communication channels allowing for

cascading of information leading to participation by all employees. Steiner (1979) emphasizes this by stating that individual interests are thus aligned to organizational objectives ensuring success.

2.3 Strategy Implementation

A strategy can only be said to be successful if it yields intended results. Mintzberg (1987) coined the term ‘crafting strategy’ to suggest that it is ones involvement in a business that will determine the outcome or success of strategies formulated. This he brings out clearly in his choice of a potter whose final work depends on the interaction between the potter’s hands and the clay to bring out what the potter envisaged. The same is replicated in the business world where some strategies are well formulated but few of them come through to implementation because the parties involved are passive as they pay no active role in their implementation

According to Alexander (1991), one reason implementation fails is that practicing managers and supervisors do not have practical models to guide their actions. Without adequate models, they attempt implementing strategies without a good understanding of the multiple factors that must be addressed to ensure success. Nobble (1999) notes that there is a significant need for comprehensive conceptual models related to strategy implementation.

The conceptual framework developed by Stonich (1982), Hrebiniak and Joyce (1984), Galbriath and Kazanjian (1986) and Reed and Buckley (1988) consist of explicit key implementation factors. These were the first implementation frameworks to have appeared in the field of strategic management. An analysis of these frameworks reveals important similarities among them. For example, they consist of similar factors including strategy formulation, organizational structure, culture, people and communication control outcome. In their studies, Alexander (1991), Judson (1995), Miller and Dess (1996) and Thompson and Strickland (1999) made reference to the same implementation factors.

Based on their research and consultancy work, Waterman et al (1980) argued that effective strategy implementation is essentially attending to the relationship between the following seven factors. They are commonly referred to as McKinsey's (1982) 7-S model. They include strategy which is looked at as the plan of action by an organization and structure referring to mechanisms that define how activities in an organization are coordinated (Kaplan, 2005). It provides the overall framework for strategy implementation. It's this structure that facilitates communications and making information flow for decision making efficient (Cole, 2000).

Systems in the model mark the formal and informal procedures applied in an organization and style is the way managers or leaders run an organization. Staff on the other hand refers to the human resources in an organization (Kaplan, 2005). This involves the recruitment procedure and career management. Skills as indicated in the model define the

distinctive competencies of an organization while shared values (super ordinate goals) point to the fundamental values common in the organization.

Although waterman et al (1980) defined and discussed each of these factors individually, they did not provide clear examples and explanations for the relationships and interactions between them. They did not evaluate how their relationships actually make strategy implementation happen, but emphasized that achieving a fit between the seven elements enhances effectiveness in an organization. Their integrated harmony is thus crucial.

Thompson and Strickland (1990) suggest that the implementation stage of strategic management is primarily administrative where one ensures a fit between the chosen strategy and organization culture. Culture is seen as employee shared beliefs and values which dictate the pattern for activities and actions within the organization. Culture is an organizational strength when it eases achievement of organizational strategy with minimal costs. Besides the culture, other forces come into play in influencing strategy implementation.

Tampoe and Macmillan (2000) argue that the overall leadership and management of the organization determine how effective an organization strategy shall be executed. The efficiency in strategy implementation is a factor of personnel skills which is basically having the right person for the right job. As David (1997) put it, strategy implementation entails mobilizing employees and managers to turn formulated strategies into action.

Strategy implementation involves converting broad plans into concrete, incremental actions over a period of time. These steps need to be monitored in-order to assess whether the overall strategy is on-course or if changes need to be made in view of developments realized during implementation. Discussed in the subsequent section are some of the key factors affecting strategy implementation.

2.4 Factors Affecting Strategic Plan Implementation

Various researchers like Awino (2000), David (1997), Gesare (2006), Olali (2006) and Ngumo (2006) are in agreement that organizations face difficulties in strategy implementation. Olali (2006) further indicates that the future poses more complex challenges for organizations seeking to or already implementing strategies. This she attributes to dwindling global economies, stiff competition and changes in information technology. Currently, the Kenyan economy coupled with the global economic crunch poses a challenge to organizations pursuing different strategies.

The experiences of strategic plan implementation differ with organizations (David 1997). This is influenced by factors such as the nature of the organization where its size and ownership determine the challenges it faces in executing its strategic plan. State corporations have to deal with the country's law and statutory obligations in their pursuit of corporate strategy.

Olali (2006) focusing her research in the banking industry found out that the banking industry encounters challenges in strategy implementation. This she alluded to factors such as rapid growth beyond the anticipated, rising market competition, changes in technology, change in management and over regulation in the banking industry. These findings point out to the fact that change in any aspect especially if underrated or unexpected is a major challenge during strategy implementation. Challenges facing the banking industry can to some extent be replicated in the market in which the board operates.

Gesare (2006) in her study observed that strategy implementation in the state corporation was average due to lack of commitment from stakeholders. The strategic plans were not fully embraced by the stakeholders as they had been newly introduced. The challenges observed here are comparable to findings for any other state corporation. Authors and researchers, such as David (1997), Pearce & Robinson (2002), Ngumo (2006) and Gesare (2006) have put forward their major considerations of the factors which precipitate challenges that organizations encounter while implementing strategy.

2.4.1 Organizational Structure

According to Thompson (1989), for strategy implementation to succeed, there needs to be in place an organization sensitive to the demands of strategy. Organization structure as viewed by Pearce and Robinson (2002) can either enhance or inhibit strategy implementation. Besides influencing how objectives will be established, David (1997)

indicates that structure determines resource allocation which eventually has an impact on strategy implementation.

Author Chandler (1962) emphasizes matching structure to strategy. He observed that structure follows strategy in the sense that structure is deliberately adjusted to embrace strategy pursued by the organization. Structure is thus viewed as a means of achieving intended goals (Thompson, 1987). For proper correlation between structure and strategy, the latter must be doable. This implies that it need not take dismantling an organization structure to implement strategy.

Drucker (1974) has clearly defined the detriment of misfit between structure and strategy. He states that strategy execution suffers disorder, friction and inefficiency where matching of strategy and structure has failed. The internal organization structure becomes an impediment to achieving strategic objectives if it is not in sync with key success activities as stipulated in the strategic plan (Thompson, 1987).

2.4.2 Organizational Resources

Organizational resources can be explained from the context of the resource-based view of strategy associated with the work of Prahalad and Hamel (1990), Barney (1991) and Grant (1991). The resource based view emphasizes the internal capabilities of the organization in formulating strategy to achieve a sustainable competitive advantage in its market and industry. The resource based view of strategy points not to the industry

structure but to the unique cluster of resources and capabilities that each organization possesses (Collis and Montgomery, 1995).

Organization resources are in terms of competent human and technical skills (Thompson, 1987). These would give the organization a superior performance compared to others in the industry since they cannot be easily duplicated. Updated technology puts a firm a head. Barney (2007) in describing sustained competitive advantage in his resource based view approach emphasizes that firms can achieve super performance if they have superior resources.

The right management and technical skills provide the firm with the required competence in its pursuit of strategy. Effective strategy implementation is a factor of relevant internal skills for execution. Budgetary allocation for accomplishing strategic goals forms another crucial organizational resource that may hamper or enhance strategy implementation (Thompson, 1987). Each department in an organization requires finances to carry out its mandate as dictated in the strategic plan. Lack of proper budgets results in failure to meet implementation deadlines.

2.4.3 Organization Culture

The culture of an organization is its dominant pattern of shared beliefs and values (Cole, 1996). A culture doesn't become established until its shared understanding achieves dominance in the collective thinking of the members in the organization. Schein (1992) adds that culture too arises from sharing the assumptions that emerge regarding the best

way to handle issues. Morgan (1986) refers to organizations as mini-societies that have their own distinctive patterns of culture which influence the organization.

Culture is exhibited in company policy statement, mission statement, and organizational rituals like induction and retirement parties leaving speeches. Also evident in company procedures, management and peer group attitudes (Schein, 1992). Elements of culture can either be visible as in artifacts or invisible best described in shared values and assumptions. Effective strategy implementation requires that the organizational culture is aligned to strategy.

According to Pearce and Robinson (2002), culture can be a positive factor in an organization if it supports strategy implementation. The greatest challenge however is to develop a culture that fully matches the strategic plan (Thompson, 1987). New strategies may call for adjustment in an organization's culture to support it. This may be a challenge due to resistance to change. Change is inevitable in strategy implementation yet it is regarded a major threat to successful strategy implementation (David, 1997). Resistance is attributed to failure of management to include all staff in the formulation stage, to only surprise them with shift of responsibility during implementation. This results in conflict of interest, fear of the unknown and mistrust leading to poor implementation.

2.4.4 Linking Employee Performance and Motivation with Strategy

Cole (1995) defines motivation as the process by which people seek to satisfy their perceived needs and personal goals. Having a well established reward system spells one way by which employees can be motivated. Linking employee performance to rewards yields high levels of commitment to strategic success and creates an atmosphere where there is constructive pressure to perform (Thompson, 1987). This is a stronghold for strategy implementation.

Lack of performance recognition by way of awarding compliance and excellence in strategy implementation may cause employees to withdraw their efforts. Their focus may thus not be in the long term objectives of the organization but on individual interests (Steiner, 1979). The result of this is unsuccessful strategy implementation.

2.4.5 Internal Communication

Communication has been described as the lifeblood of an organization by Bateman and Zeithmal (1990) as organizations work through it. Cole (1995) defines communication as the way by which ideas, facts, opinions and feelings are created, transmitted and interpreted. Communication can either be upward where employees communicate ideas, suggestions to management or downward in which case management communicates policies, plans and instructions to employees. It can also be lateral allowing for

communication across departments or formal and informal where the former is official and the latter sources information from grapevine (Bateman and Zeithmal, 1990).

Communication becomes a challenge to strategy implementation when faced with barriers. Bateman and Zeithmal (1990) say these barriers arise from verbal difficulties, information overload, inadequate machinery for communication, lack of openness, lack of trust, and openness, individual bias, and failure to motivate employees to embrace communication. Feedback is crucial in communication (Cole, 1995), the lack of which hampers information sharing.

2.4.6 Leadership Style

Many scholars have viewed leadership from different perspectives giving rise to its various definitions. Lussier and Achua (2007), define leadership as the influencing process of leaders and followers to achieve organizational objectives. Influencing is the process of a leader communicating ideas, gaining acceptance and motivating followers to support and implement them. Frigon and Jackson (2007) view leadership as an active process that requires a pioneering spirit and a willingness to take risks and innovate.

A leader in an organization plays a major role in ensuring successful strategy implementation. Thompson and Strickland (1989) emphasized that a leader influences others, creates a strategy supportive work environment, while holding as top priority the implementation of the chosen strategy. Burns (1978) expresses a belief that the leader principal task is one of instilling purpose.

According to Pearce and Robinson (2002), the chief executive officer (CEO) and key managers play a crucial role in strategy execution. The CEO is valuable for clarification, direction and eventual success. His role is more complex when he is secretary to a board of directors whose composition calls for him to spend more time managing the board as opposed to leading the organization. This influences governance in the entire organization.

2.4.7 Organizational Politics

The term 'politics' can be used in broad sense to refer to a situation in which different parties, positions or views seem to conflict. This may be conflict of interest between stakeholders, departments, and individual among others. Thompson and Strickland (1989) indicate that the same way politics arise in strategy formulation, there is politics in strategy implementation.

Organizational politics are evident in scenarios such as seeking for support and harmony on the various modes of strategy execution from various power players in the organization. Thompson and Strickland (1989) further indicate that introducing a new strategy exposes strongholds of the organizational politics who would so easily resist any change perceived to be detrimental.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Research Design

The research was a case study. It allowed for a detailed and focused examination providing valuable insight for problem solving, evaluation and strategy (Cooper 2003). According to Kothari (1990), this research design involves a diligent examination of a social unit, institution, family and upholds a deeper breadth of a study.

This research design has been used in other studies. The researchers who have used it include Koskei (2003), Ochanda (2005), Ngumo (2006), Manyariki (2006) among others. This design enabled a detailed examination of how HELB implements its strategic plan and the challenges the organization faces.

3.2 Data Collection

Data was gathered from both primary and secondary sources. An interview guide was the preferred instrument to facilitate the face to face interviews. It had both open and closed ended questions. The open ended questions enabled respondents to freely express themselves thus giving more information. In-depth interviews for top management enhanced deep insights into the subject.

The respondents were six (6) senior management staff. These respondents were picked because of their understanding of the strategic plan given their position in management. They thus formed a rich source of information that would satisfy the objectives of the

study. They included the CEO, the Head of operations, Head of Finance, and Managers of various departments. The study gathered three types of data, namely opinion, knowledge and facts.

3.3 Data Analysis

Data was analyzed qualitatively, where information collected was subjected to content analysis. This involved analyzing and evaluating data for usefulness, consistency, credibility and adequacy. Content analysis ensures that specific messages are systematically and objectively identified and related with their occurrence trends.

Similar technique of data analysis has been used in other studies like ones done by Koskei (2003) and Olali (2006). The study collected qualitative data, which required analysis and examination to allow for drawing of conclusions on the subject matter. This made content analysis appropriate as a technique adopted by the researcher.

CHAPTER 4: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter contains analysis of the findings from the study. The data collected by interviewing the HELB management focused on awareness on the strategic plan and the implementation process, factors influencing strategy implementation and the challenges therein. The findings are presented as a report of the discussions held with the respondents.

4.2 Awareness on HELB Strategic Plans

All the respondents appreciated the fact that a strategic plan is a road map on which the operations of the board are anchored. It's thus regarded as the lifeline of the organization. They have all embraced it and are all aware of the organizational objectives and critical activities derived from the strategic plan. Having been involved in the strategic plan formulation, they exuded a sense of ownership of the document. They reiterated that the document needed to be made alive in the entire organization and not to be viewed as a preserve of management.

The HELB strategic plan is a broad document with four objectives namely, students loans, loans recovery, resources mobilization and human capital and skills objectives.

These define the core activities of the board. The objectives are termed as forward looking as they make provision for planning for the future as projected in the document.

These also give a clear indication of the specific areas of implementation

A launch of the 2009-2014 strategic plan took place at the beginning of 2010. This was aimed at creating the momentum required in key stakeholders to start off the adoption and implementation process. The respondents indicated that every member of staff was given a copy of the document to ensure their awareness on the same. Their concern however lies on whether individual employees have internalized and permeated the document to influence their activities at the board.

4.3 The Implementation Process

The findings indicated that HELB strategic plan implementation is an all inclusive process. The HELB strategic plans have been a result of combined effort of management (senior and middle level) and a consultant. Formulation was viewed as a bottom-up process with departments within the organization giving their key strategic areas and deliverables to form the organizational corporate strategies. The developed document was validated by the board stakeholders as a policy document, published and issued for strategic direction of the organization.

The 2009-2014 strategic plan is a five year plan whose implementation entailed breaking down the document into activity phases in this case 1 year action plan. Implementation

teams were formed to steer the process at the departmental level. They facilitate designing of specific strategic objectives in line with the corporate strategy. They also stipulate projections, strategies and the activities which are geared towards achieving the same. Once the key milestones in the strategic plan are broken down into departmental objectives, action plans to reflect individual activities are drawn. Quarterly reviews are carried out to measure level of compliance of the activities against the targets. Performance contracts are extracted from the annual strategic plan.

Each financial year, HELB led by the CEO who is the secretary to the board, signs performance contracts with the minister of higher education in whose docket the organization lies. Each performance contract has a performance matrix. This is cascaded to all members of staff through heads of departments, managers, section heads and team leaders.

The performance contracts contain negotiated organizational targets as per the strategic plan against which the performance of the board would be rated. Each individual identifies key aspects of these global goals and notes the things they are supposed to do in a given year. By the end of each financial year all will have contributed to the making of the strategic plan a reality. The performance contracts vary with the annual action plan as derived from the strategic plan.

Work plans are a critical factor in performance management and form the basis of individual indulgence in the strategic plan implementation as they define specific roles each person plays in the whole process. The managers interviewed gave an indication that the work plans exist but more needed to be done to ensure that they are aligned and are in congruency with the organizational goals. Further responses pointed out that staff needed to be sensitized to ensure they understood and visualized the document, to enable successful work plans which would lead to great achievements in implementation.

Annual appraisals are carried out to evaluate the strategy implementation process. Besides this, strategic plan retreats like one held recently are carried out to assess where the organization is in terms of strategy implementation and way forward regarding the same. Such forum facilitates reviewing of the set objectives, targets and activity to reflect the necessary changes required to make the document valid in a dynamic environment.

4.4 Factors Affecting HELB Strategic Plans Implementation

4.4.1 Organizational Structure

The respondents indicated that they are in agreement with the fact that organizational structure follows strategy. Albeit slow, HELB has continued to modify the structure in the recent past to be in line with the strategy. The changes include recruitment of more assistant managers and account relationship officers to enhance and anchor strategy implementation and the strengthening of the core departments i.e. recovery and lending.

It was indicated that focus is now shifting to operations, where the management seeks to strengthen the enforcement of organizational strategies.

Part of the desired modifications in the organizational structure includes having a unit that would enhance resource mobilization and building the organizational capacity to source and handle a wider financial base. The current structure can only accommodate some limited level and if the board sought finances from other lending bodies then efficient running of the same may not be guaranteed. All departments ought to demonstrate capacity to effectively cope with emerging and daring changes in the environment in which the board operates.

4.4.2 Organizational resources

HELB boasts of very qualified staff who form a valuable resource to the organization. Most of the employees have acquired self-initiated programmes which are viewed as being aligned to their line of operations. This is perceived to give them an edge in the understanding of their duties. The interviewees observed that the level of qualification and competence of its staff is an asset and their only concern is how to tap into the pool of knowledge in these employees. It was further expressed that the competence levels did not however assure commitment to the strategic plan implementation hence need for mentorship.

Other resources that are said to be influencing strategy implementation are financial capabilities. The board is constrained in its execution of various strategies by its budgetary allocation from the ministry. The rising demand for loans soars by the year against dwindling government funding. This means that the board is not able to meet its lending objective of 100% approval of qualifying loans.

4.4.3 Organizational Culture

One aspect of culture that the respondents were emphatic about as being of great influence in strategy implementation is resistance to change. It was indicated that this is due to the history and tradition as perceived by an individual in the organization. Depending on the attitude of an individual, their support for the document or the lack of it is based on whether it favors their status quo or not.

This was however seen as changing due to modifications in organizational structure. Some departments allow for staff rotation so that they get a feel of different roles which enables staff to appreciate multi tasking and more responsibilities. Staff who have served in the same position for a long time are prone to a given attitude and allowing them to vary roles gives them opportunity to do a new thing. It also enhances new energies and support which drive strategy execution.

4.4.4 Internal Communication

The management maintained that they keep an open door policy. Despite this, not all staff are deemed to be free with management to provide feedback and any relevant information to strategy implementation. One of the reasons attributed to this is, their belief system and culture. One's expectation in terms of treatment from management whether good or bad, their feelings if negative or positive dictate their level of communication with management.

The respondents indicated that they are committed to providing feedback but further noted that communication (upwards and downwards) needed to be encouraged as a strategic management tool. One observation that was made is that feedback cannot be given without an input indicating that staff needed to talk out and where feedback is seen to fail, they follow up with the management. Communication with the stake holders is in the process of being enhanced. The respondents indicated that the installing of new phone system was geared towards improving communication with the clients.

4.4.5 Leadership style

At the helm of HELB is the board of directors who define governance and leadership of the organization. The respondents lauded the leadership from the board and indicated that they have the support they need to deliver. They exuded confidence in the way the board

of directors led the organization. They are perceived to be pro-staff, pro-HELB and have embraced the vision for the organization and are keen to drive it.

The board of directors comprises of qualified professionals with an understanding of the core business of the board. They are seen as experienced in governance issues enabling them offer the required leadership and support for excellence in HELB strategy implementation. They seek to create the synergy required to deliver by motivating management and the entire staff to work towards achieving the organizational goals as stipulated in the strategic plan.

In responding to the influence of organizational politics on strategy implementation, the respondents indicated that though HELB operates in a highly political environment, politics has hardly influenced operations at the board. If any impact, it was presumed to be minimal. Appointments to key positions are deemed to be on merit and operations are as per the statutory requirement.

4.4.6 Information Technology

Information technology dictates most of the operations at HELB. The IT department though regarded as one offering support, it plays a key role in the realization of the objectives of the strategic plan. Respondents from different departments pointed to it as

being the facilitator or hindrance to their objectives. It opens up the board to the fast moving world of it.

Lending department solely relies on IT to facilitate their online applications and processing of loans while the recovery departments relies on it to access updated clients record among other needs. Though seen as having greatly improved, the respondents were of the view that it still had much room to excel. Of concern was the response rate to emerging issues as paused by the changing operational environment, to ensure that the organization keeps pace to the demands of the dynamic clientele.

4.5 Challenges HELB Faces in Strategic Plan Implementation

The findings from the interviews carried out reveal that the challenges HELB faces in its strategic plan implementation are related to the factors discussed above. These challenges include, slow pace of changing existing structures and inability to put up desired organizational units or divisions which would facilitate strategy implementation. This is a result of resistance to change and limited finances among other factors.

The board operates with budgetary allocation from the government. Depending on how much it's allocated in a year, coupled with the recoveries in that period, the board is constrained on its lending and operations. It cannot freely enlarge its operations without reference to the budget yet its clientele is on the rise. Outsourcing of funds to substantiate

its sources is regarded an option which would be possible if the board can demonstrate the capacity in terms of right infrastructure, staff, attitude, clear cash flow management just to mention but a few.

Organizational culture was widely viewed as an impediment to successful strategy implementation. This is due to resistance to change, misunderstanding, ignorance and complacency. It was observed that if there's no resistance, then there is no fundamental change. The latter would have to begin from the top if any impact is to be felt.

Poor interdepartmental communication and coordination was perceived to impact on the rate at which departments that are intertwined move in the pursuit of their strategies. Recovery department for example relies on IT for updated records but the latter may not work at the expected speed to deliver hence dragging behind the efforts of recovery. Similarly, the lending department relies on the HR department to provide short term staff who if not provided promptly inhibit strategy execution.

The world of information technology is fluid. It keeps changing calling for regular updates to keep pace. This requires financial resources, human skill and time to maintain the required standards. The respondents noted that the board is constrained by these same factors hampering the necessary change for automation. Training of staff to embrace world class IT has proven to be a challenge partly due to inadequate finances and resistance to change.

Though the indication from the findings is that the management team is aware of the strategic plan, it was noted that the commitment and solidarity in ensuring that the strategic plan implementation was effective and efficient was not guaranteed. Their coordination and leadership in the whole process poses a challenge especially when they don't emphasize the document as the roadmap to themselves and the people they lead.

Recently, the board organized a strategic plan retreat to sensitize those from middle level management to senior management and to lobby for their support of the document in totality. This is because interpretation and execution of departmental work plans in accordance to the strategic plan is their mandate. Proper work plans facilitate successful implementation.

4.6 Discussion of Results

4.6.1 Relationship to Empirical Studies

The findings of the study reveal a close relationship to findings from earlier studies in this area of strategy implementation. It also provides a buildup and insights into the process of strategy implementation. Most of these studies like Manyarkiy (2006), Gesare (2006) and Olali (2006) focused on the challenges of strategy implementation with little emphasis on how the organizations implemented the strategic plans.

The process of strategic plan implementation at HELB was found to be systematic and all inclusive. It began with the CEO signing performance contract with the ministry of Higher Education and the same cascaded down through the Head of departments, managers and section heads to all other staff. This process provides a vital link to the understanding of the challenges the organization faces in strategy implementation.

In his study, Manyariki (2006) found out that top management had easy access and high understanding of corporate strategic plan as compared to middle level managers and operational staff at the NSSF. Similar findings are reflected in this study where it was found out that the top management were well informed and committed to strategic plan implementation at HELB.

In establishing the challenges faced, the study found out that leadership style, organizational resources, culture (shared values), information technology and communication influenced strategy implementation at the board. This is in agreement with findings of other researchers. Gesare (2006) established that strategic plan implementation in the public sector is faced with similar challenges mentioned above.

Authors David (1997) and Pearce & Robinson (2002) have put forward their major considerations of the challenges that organizations encounter while implementing strategy and the findings of this study attest to them. This was also emphasized by Olali (2006) in her study of challenges of strategic plan implementation at the co-operative bank. She further indicated that despite these challenges, management was on top of

things ensuring that they kept the implementation process remained on course. Similar sentiments were expressed by the management of HELB indicating that despite the challenges encountered, the process of strategic plan implementation was going right.

4.6.2 Linkage of the Findings to Theory

The top management at the board were in agreement that though the whole process of strategy implementation is not easy, HELB has to successfully implement its strategic plans if it has to continue. This is in compliance to the theory of strategic management where strategy implementation though deemed difficult (David 2003), marks a critical phase in an organization. Compared to strategy formulation, the top management concur that real work begins at the implementation stage. They are required to show results for that which is put on paper pressurizing them to successfully implement strategic plans.

The findings further indicated that the strategic plans have enabled HELB to strategically reposition itself. This is by virtues of the fact that the environment in which the board operates in is highly dynamic and requires strategy to succeed. This is in line with Drucker's 1954 management by objectives strategy. Strategic plan implementation has thus been embraced as a management tool. In reference to the environment in which the board operates, management revealed that the strategic plans have provided a road map to practice management in a turbulent environment in a way that leads to success in accordance to Ansoff (1990) strategic management theory.

CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

5.1.1 HELB Strategic Plan Implementation Process

One of the objectives of this study was to establish how HELB implements its strategic plan. The study revealed that the implementation process was on course. The current plan was deemed as one that would propel the organization to greater heights amidst threat of competition, strained government support, pressure from emerging economic, political, social and technological trends in a dynamic environment.

The need for successful implementation at the board cannot be overemphasized. Reflection on the past one year indicated a slow pace towards embracing of the document and of the whole process of implementation by all staff. It was however found out that measures to enhance the process were in place and commitment to the same reassured. One measure has been the formation of a three man steering committee that oversees implementation. Their first activity was the organization of a strategic plan retreat that sought to among other things, evaluate progress and sensitize staff on critical issues regarding the plan.

5.1.2 Challenges HELB faces in pursuing strategic plan implementation

The researcher found out that the board faces various challenges in its pursuit of strategic plan implementation. These challenges facing are linked to the factors discussed as influencing strategic plan implementation. These include limited financial resources,

negative organizational culture, slow technological advancement, and slow pace in changing of structure to cope with change in strategy, poor organizational communication and coordination. These issues affect the operational efficiency which forms the basis of strategy implementation

The shift in responsibility from the top management to the other cadre of staff to mark transition from strategy formulation to strategy implementation was seen as a challenge. This is especially incases where staff do not feel that they were fully involved in the whole process thus finding it difficult to embrace the implementation phase. This results in lack of clear commitment to the strategic plan by all to ensure they meet the organizational objective.

5.2 Conclusion

The board operates in a dynamic environment. The pressure to deliver is much more than ever before. This has been occasioned by the promulgation of the new constitution which specifies education as the right of every child. This greatly impacts on the need for HELB funding for higher education. The advent of the East African Community creates another cliché of students seeking financing. The need for the board to align itself to the demands of vision 2030 is ripe. The latter has put emphasis on greater and equitable access to education by all Kenyans. These further reveal the need for HELB successful strategy implementation.

Strategic plan implementation has thus been adopted by the board not only because it is a statutory requirement but due its relevance as a management tool is recognized. The whole process as perceived by management is participatory, the factors influencing the implementation are noted and the challenges therein, making it possible for management to chart the way forward. Their focus is now on ensuring on their own commitment and staff involvement in the process to ensure success.

5.3 Recommendations

Following the findings from the study, a few recommendations have been made to enhance strategy implementation at the board. Though they may not eliminate the challenges, the recommendations will enable the board to amicably handle them to reduce their adverse effect on successful strategy implementation.

The board should make greater effort to tap into the wealth of experience and knowledge ability of their staff to ensure they are strategically placed to enhance strategy implementation. From the interviews held with the top management, there seemed to be no emphasis on linking rewards to performance to ensure commitment to successful strategy implementation. Management should look into ways of rewarding employees who excel in achieving organizational goals. This would also ensure that transition in transfer of implementation responsibility from top management to the operational staff is embraced knowing that it rewards.

To ensure that the objective of 100% approval of qualifying loans is achieved, the researcher recommends sourcing of funds from donors. This will provide alternative

funds which besides ensuring all eligible applicants benefit, will instill public confidence in the ability of the board. Having many of the unfunded students enjoying the board's funding will boost the board's image.

Technology plays a big role in ensuring the board achieves all its objectives. It's recommended that the board employs a world class state of technology. This is in terms of equipment, infrastructure and skill. All other departments look to the IT department for support, the reason it must lead.

5.4 Limitations of the Study

The study having adopted a case study design makes it difficult to generalize the findings. This is because a case study allows for in-depth study of a given unit and in this context strategic plan implementation at HELB. The results of the analysis cannot be inferred to other organizations.

The study was also limited by time. The researcher had to work within a limited time span and this meant that intense exposure to the subject variables may have been constrained. The study was further limited by the fact that the researcher only interviewed top management.

5.5 Suggestions for Further Study

The researcher suggests that a study whose respondents include operational staff would provide great insights on their perception of strategic plan implementation at the Board.

This would focus on their involvement, role of management and the challenges they faced in seeking to achieve organizational objectives. Their contribution to the success of the implementation process is vital thus the need to find out their take on the whole process.

Another area that would require further attention hence study is the evaluation of strategic plan implementation at HELB in terms of efficiency and effectiveness of the process in the backdrop of rapid environmental changes. This would enable the HELB management determine whether they measure up to the targets and objectives laid down in the strategic plan at the expiry of the plan period. This evaluation would provide a clear picture of the progress if any made against time and budgetary limits among other controls.

REFERENCES

- Achola, F.N. (2009). *Effectiveness of a loan recovery programme in a student financing organization: Case of Higher Education Loans Board*. Unpublished MBA dissertation, Strathmore business school, Strathmore University.
- Albreicht D and Ziderman A. Deferred cost recovery for Higher education student loan programs in developing countries. *World Bank discussion papers*.
<http://Scholar.Google.com/scholar>
- Alexander, L.D. (1991). "Strategy implementation: nature of problem", in Hussey, D. (Eds), *International review of strategic management*, John Wiley & Sons, Chichester/New York, NY, Vol.2 No.1, pp. 73-79
- Ansoff, H.I. (1987). *Corporate strategy*. Revised edition (London: Penguin: 1st pub. McGraw-Hill, 1965).
- Ansoff, H.I. (1990). *Implanting strategic management*, Prentice-Hall.
- Awino, Z.B, (2000). *Effectiveness and problems of strategy implementation of financing higher education in Kenya by HELB*. Unpublished MBA project, school of business, University of Nairobi
- Bateman, T.S, and Zeithmal C,P. (1990). *Management function and strategy*. Arkansa, Richard Irwin
- Bartlet, C.A and Ghosal, S. (1987). *Managing across borders: new strategic requirement*. *Sloan management review*, Vol. 28 No.2. pp. 7-17
- Burns, J. M, (1978). *Leadership*. New York: Harper & Row.

- Chandler, A. (1962). *Strategy and structure: chapters in the history of American industrial enterprise*. Cambridge Massachusetts, MIT Press.
- Cole, G.A. (2000). *Strategic management*. Thomson learning.
- Cole, G.A. (1996). *Management theory and practice*. 5th edition. Dp Publishers
- Collins, D.J. and Montgomery, C.A. (1995). Competing in resources: strategy in the 1990s. *Havard Business Review*, 73 (4), 118-128
- Cooper, D. R. (2003). *Business research methods*. 8th edition. Irwin.
- David R. F. (1997). *Concepts of strategic management*. Prentice Hall.
- David R.F. (2003). *Strategic management: concepts and cases*. 9th edition. Prentice Hall.
- Drucker, P. (1954) *The practice of management*. Harper and Row, New York.
- Drucker, P. (1955). *The practice of management*. Paperback edition. (Oxford: Butterworth Heinnemann).
- Drucker, P. (1974). *Management task, responsibilities and practices*. Transaction publishers
- Galbraith, J. and Kanzanjian, R. (1986). *Strategy implementation: structure systems and process*. 2nd edition. West publishing company, New York.
- Gesare, O. (2006). *Implementation of strategic plans in the public sector. case study of personnel management of Government of Kenya*. Unpublished MBA project, School of Business, University of Nairobi
- Government of Kenya (2005). *Performance contracts in the public service*. Unpublished information booklet.
- Grant, R.M. (19910. The resource-based theory of competitive advantage: implications for strategy formulation. *California management review*, 33 (spring) 114-135.

- Hamel, G. and Prahalad, C.K (1993). Strategy as strength and leverage. *Harvard Business Review*, 71 (2), 75-84
- Hrebiniak, I. and Joyce, W. (1984). *Implementing strategy*. Macmillan, New York, NY.
- Johnson, G. and Scholes, K. (1993). *Exploring corporate strategy; texts and cases* (3rd edition), Prentice-Hall.
- Judson A, S. (1995). *Making strategy happen*. Basil Blackwell, Oxford.
- Johnson, G. and Scholes, K. (2003). *Corporate strategy; texts and cases* (6th edition), Prentice-Hall.
- Kaplan, R.S. (2005). How the balanced scorecard complements the McKinsey 7-S model, *Strategy and Leadership*, Volume 33, Number 3, pp 41-46.
- Kaplan, R.S and Norton, D.P (2001). *The strategy focused organization. How balanced scorecard companies thrive in the new business environment*. Boston Massachusetts, Harvard Business School Press
- Koskei, F, K, (2003). *Strategy implementation and its challenges. The case of Telkom Kenya Ltd*. Unpublished MBA project, School of Business, University of Nairobi
- Kothari C,R. (1990). *Research methodology: methods and techniques*. 2nd edition. New Delhi
- Lussier and Achua (2007). *Effective leadership*. Thomson South Western.
- Manyarkiy, T.J. (2006). *The challenges facing middle level managers in the implementation of corporate strategic plan at NSSF*. Unpublished MBA project, School of Business, University of Nairobi
- Miller, A. and Dess, G. (1996). *Strategic management*. International edition. McGraw, New York.

- Mintzberg,H, and Quinn, J.B, (1998).*The strategy process, concepts, contexts and cases.*
2nd edition, Eaglewood Cliffs, NJ: Prentice-Hall.
- Mintzberg.H. (1987). ‘Crafting strategy’. *Harvard Business Review*, 65/4: 66-75
- Mugo R. K, (2007). *Balanced score card application in strategic management at Flashcom Ltd.* Unpublished MBA project, School of Business, University of Nairobi.
- Mutula S, M. (2002). University in Kenya, current developments and future control.
International journal of education management.
<http://www.emerald.sight.com>
- Muthiga, F .A. (2004). *Strategy implementation and its challenges in non-profit organizations in Kenya. The case of AMREF.* unpublished MBA project, school of business, University of Nairobi.
- Ngumo E.M (2006). *Challenges of strategy implementation in the Scripture Union of Kenya.* Unpublished MBA project, School of Business, University of Nairobi.
- Noble, C. H. (1999). “The eclectic roots of strategy implementation research” *Journal of business research.*
- Nyaigotti C.C. (2004). *Reforming higher education in Kenya. Challenges, lessons and opportunity.* http://www.iucea.org/downloads/Reforming_HE.pdf. Retrieved on 30th august, 2010
- Ochanda, R.A, (2005). *Challenges of strategy implementation at Kenya Industrial Estates Ltd.* Unpublished MBA project, School of Business, University of Nairobi

- Olali, P.N. (2006). *A survey of the challenges in the strategic plan implementation in the co-operative bank*. Unpublished MBA research project, School of Business, University of Nairobi
- Pearce, J.A. and Robinson, R.B. (2003). *Strategic management; formulation, implementation and control*. (8th edition). Mc-Graw Hill.
- Porter, M.E. (1985) *Competitive Strategy: techniques for analyzing industries and competitors*, Free Press
- Reed, R. and Buckley, M. (1988). Strategy in action-techniques for implementing strategy, *Long range planning*, Vol. 21 No. 3, pp. 67-74
- Republic of Kenya (1965). High level manpower Requirements and Resources in Kenya, 1964-1970. Nairobi. *Ministry of Planning and National Development*: Government printer.
- Robson, W. (1997). *Strategic management and information systems: an integrated approach*. 2nd edition. Prentice Hall.
- Steiner A.G. (1979). *Strategic planning. What every manager must know*. The free press, New York.
- Stonich, p. (1982). *Implementing strategy: making strategy happen*. Ballinger, Cambridge.
- Tampoe, M. and Macmillan, H. (2000). *Strategic management, process, content and implementation*, Oxford University Press.
- Thompson A.A. and Strickland A.J. (1989). *Strategy formulation and implementation*. 4th edition. BPI Irwin.

- Thompson A.A. Jr. and Strickland A.J. (1998). *Crafting and implementing strategy; text and readings. 10th edition*. Singapore McGraw Hill Irwin.
- Thompson A.A. and Strickland A.J. (1990). *Strategic management and concepts. 12th edition*. McGraw-Hill college.
- Thompson A.A. Strickland A.J. and Gamble J.E. (2007). *Crafting and executing strategy. The quest for competitive advantage, concepts and cases. 15th edition*. McGraw Hill Irwin.
- UNESCO (1998) *World conference on higher education*. UNESCO, Paris
- Waterman, R.H., Peters, T.J. and Philips, J.R. *Structure is not organization*. Business Horizons, Vol. 23 No. 3, June, pp.14-26.

APPENDIX I

REQUEST FOR RESEARCH STUDY IN HELB

10th August, 2010

The Human Resources Manager,

Higher Education Loans Board,

P.O. BOX 69489-00400,

NAIROBI.

Dear Madam,

RESEARCH STUDY AT HELB

I am pursuing a postgraduate degree course at the University of Nairobi, Business School. In partial fulfillment of the requirement for a Master of Business Administration, I am carrying out a research on “*Strategic plan implementation at the Higher Education Loans Board of Kenya*”. My choice of HELB as the main focus of study is based on the fact that the organization has embraced strategic plan implementation and plays a major role in the Kenyan economy. There is therefore need to establish how the organization implements its strategic plan and the challenges therein.

I hereby seek your authorization to allow for conducting of the research in the organization. The information gathered will be used for academic purposes. Your kind assistance in facilitating the research will be highly appreciated.

Yours sincerely,

ATANDI BEATRICE

RESEARCHER

APPENDIX II: INTERVIEW GUIDE

PART A: Establishing awareness on corporate strategic plan

1. Does HELB have strategic objectives?
2. Does the organization have core activities?
3. Who were involved in the formulation of HELB strategic plan?
4. a) Who is charged with the responsibility of implementing HELB strategic plan?
b) Briefly describe the implementation process.
5. Do all employees have access to the HELB strategic plan?

PART B: Critical factors

Organizations encounter various challenges in executing strategic plans. Below are factors which precipitate the same.

1. Organizational structure
 - a.) Does the organization structure facilitate achievement of desired organizational goals?
 - b.) Have there been any changes in the organization structure to accommodate new strategies?
 - c.) How has the internal structure influenced the realization of HELB strategic plan?
2. Organizational culture

Culture is a pattern of shared beliefs, assumptions and values in a given setting.

 - a.) Is HELB's culture supportive of organization strategy?
 - b.) Has there been any effort to align culture to the strategy being pursued?
3. Organizational resources
 - a.) Do the staff holding key positions competent to deliver?
 - b.) Are the budgetary resources at your disposal sufficient to meet organizational objectives?
4. Organizational communication
 - a.) Has HELB vision and mission been sufficiently communicated?

- b.) Is there sufficient communication to all stakeholders regarding the strategic plan implementation and its effects in operations?
 - c.) Is communication between management and staff open?
 - d.) Do you get feedback from employees regarding issues arising during implementation?
 - e.) Do you give feedback to your team?
 - f.) Do your employees (team) access all the information required to work effectively?
5. Organizational politics
 - a.) Has organizational politics affected strategy implementation at HELB?
 - b.) If yes, briefly explain how (what is the impact of organizational politics on your strategy implementation?)
 6. Organizational leadership
 - a.) What is the level of leadership commitment to and involvement in strategy implementation?
 - b.) Does the HELB leadership create an environment conducive for strategy implementation?
 7. Organizational policies
 - a.) Do HELB policies and procedures applicable to work enhance achievement of core objectives?
 - b.) Are employee activities regularly reviewed to be in line with the company objectives?
 8. Linking rewards to performance
 - a.) Does HELB offer salary increases, promotions, recognition and other awards for good performance?
 - b.) If yes, do the offers motivate your team to seek excellence in their strategy implementation
 9. What other challenges might you be facing in the pursuit of organizational strategy?
 10. Any other comments regarding strategy implementation at the Board.

