

**ALLENGES OF STRATEGY IMPLEMENTATION AT THE MINISTRY OF
OPERATIVE DEVELOPMENT AND MARKETING**


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

OCTOBER 2010

DECLARATION

This management Research Project is my original work and has not been presented for award of a degree in any other university


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This management Research Project has been submitted for examination with my approval as the university supervisor

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DEDICATION

This Research Project is dedicated to the Akwara family, with much love and thanks.

ACKNOWLEDGEMENTS

This MBA Research Project bears the support of many people. I continually benefitted from the wisdom of my supervisor Mr. Jeremiah Kagwe as well as the Research Proposal presentation Panelists Dr. Gakuru, Dr. Gathungu and Mrs Florence Muindi. I also acknowledge the invaluable support and consultations from Fredrick Kyalo. I owe considerable debt of gratitude to my class pals Zablon Jowi and Abdi Hussein for helping me accomplish my academic career and serving as positive role models. I am also appreciative to my colleagues Songok, Kawira, Wanjiru, Kosiba and Clemence who gave me the encouragement when the going got tough.

ABBREVIATIONS

AAPAM	African Association for Public Administration and Management
APU	Anti-Corruption Police Unit
BSC	Balanced Score Card
CEO	Chief Executive Officer
CSA	Co-operative Societies Act
DPM	Directorate of Personnel Management
GoK	Government of Kenya
HRM	Human Resource Management
IT	Information Technology
KCC	Kenya Co-operative Creameries
KNFC	Kenya National Federation of Co-operatives
MBA	Master of Business Administration
MOA	Ministry of Agriculture
MOCD & M	Ministry of Co-operative Development and Marketing
NPM	New Public Management
PPBS	Public Programming Building System
SACCO	Savings and Credit Co-operative
US	United States

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ABSTRACT

Organizations implement a variety of strategies in order to fulfill their objectives. Though this is their target it is not often the case as some organizations with good strategies end up implementing them poorly. This prompted the Government of Kenya to introduce public sector reforms that has resulted in all Government Agencies developing strategic plans. The Ministry of Co-operative Development and Marketing is no exception and this prompted the researcher to carry out a study that answered the following research questions: What are the practices of strategy implementation at the MOCD&M? What are the major factors hindering strategy implementation at MOCD&M? How MOCD&M is responding to these challenges? The objectives of the study were: To identify and document the strategy implementation practices at MOCD&M; to identify challenges faced in strategy implementation at MOCD&M; to identify how the Ministry was responding to the challenges involved in strategy implementation

The study reviewed literature on strategic management in organizations; strategy implementation process; factors influencing strategy implementation in organizations; challenges of strategy implementation in organizations; and organizational responses to challenges of strategy implementation. A case study research design was used to conduct the study and an interview guide administered to the heads of departments. The study findings revealed that the organizational culture, Human resource policy, financial resources policies and procedures, information and operating systems and performance incentives were all an impediment to strategy implementation. The MOCD&M response to these challenges has been minimal and therefore the researcher recommends involvement of all relevant stakeholders in strategy implementation; sourcing for funds

from other sources to supplement Ministry of Finance; budgeting in order of priority; establish a Ministerial taskforce to harmonize departmental policies and procedures; revise the human resource policy to make it more responsive; introduce rewards and recognition policy for excellent performers; develop a communication policy; and put in a monitoring and evaluation policy.

CHAPTER ONE: INTRODUCTION

1.1 Introduction

This chapter introduces the study and covers the following: background of the study; concept of strategy; strategy implementation; public sector reforms; the Ministry of Co-operative Development and Marketing; statement of the problem; objectives of the study; and significance of the study.

1.2 Background of the Study

In order to achieve its objectives, an organization must not only formulate but also implement its strategies effectively. There are four possible combinations of the variables: Success is the most likely outcome when strategy is appropriate and implementation is good; Roulette involves a situation where a poor strategy is implemented well; Trouble is characterized by situations where an appropriate strategy is poorly implemented; Failure involves situations where a poor strategy is poorly implemented. To diagnose why a strategy failed in the roulette, trouble, and failure cells to find a remedy, requires an analysis of both formulation and implementation. A five-stage model of the strategy implementation process includes: determining how much the organization will have to change in order to implement the strategy under consideration; analyzing the formal and informal structures of the organization; analyzing the "culture" of the organization; selecting an appropriate approach to implementing the strategy; implementing the strategy and evaluating the results (Pearce and Robinson, 1997). Implementation is successfully initiated in three interrelated stages: Identification of measurable, mutually determined annual

objectives; development of specific functional strategies; development and communication of concise policies to guide decisions (Certo and Peter, 1994)

Strategy implementation is inextricably connected with organizational change. All organizations resist change and try to maintain the status quo, sometimes even if it yields unsatisfactory results. To translate planned intervention activities into actions that bring desired organizational outcomes requires incorporating numerous variables: individual behavior; social factors; organizational arrangements; physical settings; and technology. Changing one organizational element has a ripple effect that impacts other parts of the organization which in turn have their own ripple effects and so on. Changing only one or two things seldom brings any significant organizational change. There are no “magical bullets” that would change the entire organization. To redirect your organization, you must address many overlapping and related issues and the resulting impression of needing to change “everything at once” can be overwhelming (Magnison, 2002)

1.2.1 Concept of Strategy

It's important to coordinate the various aspects of management under one all-encompassing strategy. Prior to this time the various functions of management were separate with little overall coordination or strategy. Interactions between functions or between departments were typically handled by a boundary position, that is, there were one or two managers that relayed information back and forth between two departments. It's also important to take a long-term perspective when looking to the future (Chandler, 1962).

Quinn (1996) defines strategy as a pattern or plan that aligns goals, policies and actions into a cohesive whole. A good strategy enhances outcomes through marshalling of resources, unique posturing, leverage off competencies, and an awareness of environment and cognizance of intelligent opponents (Mintzberg and Quinn 1996). Strategy provides a consistency of direction based on a clear understanding of the "game" being played and an acute awareness of how to maneuver into a position of advantage (Grant, 2002).

The term strategy is implicit and as such, can be defined under five broad headings — as plan, ploy, pattern, position or perspective. Strategy is not just a notion of how to deal with an enemy or set of competitors or a market. It draws us into some of the most fundamental issues about organizations as instruments for collective perception and action (Mintzberg and Quinn, 1996).

Strategy is the direction and scope of an organization over the long-term, which ideally matches the resources to its changing environment and its particular markets so as to meet stakeholders' expectations. There are three key components of strategy: first the need to define the scope and range of organizations activities within the

specific environment it faces; secondly, the needs of customers and markets are matched against resource capability to determine long-term direction; and finally, the role stakeholders have on the strategy articulation because of their influence over the values, beliefs and principles which govern organizational behavior and business conduct (Johnson and Scholes, 2001). Strategy is the building of defenses against competitive forces or finding a position in the industry where competitive forces are weakest. Strategy is a plan that sets out to put together an organization's major goal, policies and action consequences (Pearce and Robinson, 1997)

1.2.2 Strategy Implementation

A prudent organization needs to formulate strategies that are appropriate for the organization, industry and for the situation (Alexander, 1991). Effective strategy implementation and execution relies on maintaining a balance between strategy, administrative mechanisms and organizational capabilities, it will be easier to implement the strategy to achieve desired objectives (Okumus, 2001)

In most cases, managing the strategy execution process includes the following aspects: staffing the organization with the needed skills and expertise; consciously building and strengthening strategy-supportive competencies and competitive capabilities; organizing the work effort; allocating ample resources to those activities critical to strategic success; ensuring that policies and procedures facilitate rather than impede effective execution; using best practices to perform core business activities and pushing for continuous improvement; installing information and operating systems that enable organization personnel to better carry out their strategic roles day in and day out; motivating people to pursue the target objectives energetically, and if need be, modifying their duties and job behavior to better fit the requirements of

successful strategy execution: tying rewards and incentives directly to the achievement of performance objectives and good strategy execution; exerting the internal leadership needed to drive implementation forward and keep improving on how the strategy is being executed. The final phase of strategy execution in the strategy management process involves monitoring new developments, evaluating the company's progress, and making corrective adjustments- is the trigger point for deciding whether to continue or change the organization's visions, objectives, and strategy or execution methods. (Thompson, et al 1992)

1.2.3 Public Sector Reforms in Kenya

In pursuit of the goal of performance improvement within the public sector, New Public Management (NPM) emphasizes on the adoption of private sector practices in public institutions (Balogun, 2003). The primary development goal for any country is to achieve broad-based, sustainable improvement in the standards of the quality of life for its citizens. The Public service and in particular the civil service plays an indispensable role in the effective delivery of public services that are key to the functioning of a state economy. When the delivery of services is constrained or becomes ineffective, it affects the quality of life of the people and nation's development process (Kobia and Mohammed, 2006)

Public services in many African countries are confronted with many challenges, which constrain their delivery capacities (Lienert, 2003). They include the human resource factors, relating to shortages of the manpower in terms of numbers and key competencies, lack of appropriate mindsets, and socio-psychological dispositions. There is also the perennial problem of the shortage of financial and material logistics that are necessary to support effective service delivery. On the other hand, the gradual

erosion of the ethics and accountability has continued to bedevil the public sector in delivering public services to the people effectively. Public sector reforms meant to address these challenges have achieved minimal results (AAPAM, 2005)

The Kenyan Government responded to public service delivery challenges by formulating and implementing Public Sector Reforms (PRS) way back in 1993. The program implementation was in three phases. The first phase focused on cost containment, which entailed staff rightsizing initiatives and rationalization of government functions and structures. Under the first phase, a voluntary early Retirement scheme was put in place that targeted civil servants in job group A-G in which 42,132 civil servants retired. The second phase of the reform program focused on rationalization of government ministries/departments to determine appropriate structures and optimal size of the civil service for effective performance of the government's core functions within budgetary limits. As a result of rationalization exercise, 23,448 civil servants who were occupying posts that were no longer required were retrenched by the year 2000. Both phases of the reform coupled with the embargo on recruitment reduced the core civil servants size from 272,000 in 1992 to 191,670 in 2003 (GOK, 2004). While there was a reduction in the size of the core civil service of about 30%, it was noted that productivity and performance in the public service was not as expected (Opiyo, 2006). Further reform initiatives targeting performance improvement and management in the public service were required, thus introducing the third phase of the public sector reforms guided by Economic Recovery policy direction (DPM, 2004). One of the key priorities of the Government of Kenya is to implement and institutionalize public sector reforms that would lead to an efficient, effective and ethical delivery of services to the citizens (Kobia and Mohammed, 2006)

The Government of Kenya issued guidelines to all Government Ministries, departments, Government agencies to develop strategic plans to guide their strategic direction and formulation and implementation of their long-term goals and objectives. It's from these strategic plans that annual work plans are developed in order to operationalise the planned activities. The work plans are designed at the Ministerial level which is what they sign yearly in their Performance Contracts and the same is cascaded down to the Departments and ultimately the individual employees. Performance appraisals can then be carried out based on achievement of the annual targets as set out in the work-plans (DPM, 2002)

1.2.4 The Ministry of Co-operative Development and Marketing

The Ministry of Co-operative Development and Marketing (MOCD&M) was re-established in the year 2003 and given the responsibility of promotion, growth and development of the co-operative sector. Prior to the re-establishment of this Ministry, the co-operative movement was faced with a lot of challenges with many societies almost collapsing due to mismanagement, anarchy and leadership wrangles. This scenario was attributed to the inadequacies of the Co-operative Societies Act No.12 of 1997. Since the Ministry was re-established, the Co-operative sector has made tremendous achievements towards wealth and employment creation. Currently, there are over 12,000 registered co-operative societies with a membership of over 7 million. About 63% of the Kenyan population directly and indirectly depends on the co-operative related activities for their livelihood. The sector has mobilized over Ksh.170 billion in savings which is about 31% of the national savings. Some of the key stakeholders of the Ministry include: New Kenya Co-operative Creameries; Co-operative Bank of Kenya; Co-operative Insurance Company of Kenya; Kenya Union

of Savings and Credit Co-operatives; Kenya Rural SACCO Societies Union; Co-operative Alliance of Kenya; Co-operative College among others (MOCD&M, 2008)

The Ministry of Co-operative Development and Marketing is mandated to carry out the following: Co-operative Policy and Implementation; Co-operative Legislation and Implementation; Co-operative Education and Training; Co-operative Financing Policy; Co-operative Savings, Credit and Banking Services Policy; Co-operative Governance; Co-operative Tribunal. Co-operative College; New Kenya Co-operative Creameries (KCC); Co-operative Marketing, including value addition processing; and Promotion of Co-operative Ventures (GoK, 2007)

The Kenya Vision 2030 for financial services is to create a vibrant and globally competitive financial sector in Kenya that will create jobs and also promote high levels of savings to finance Kenya's overall investment needs. Kenya will also streamline informal finance and Savings and Credit Co-operative Organizations (SACCOs), as well as micro-finance institutions (GoK, 2008)

Co-operatives have made great contributions towards economic growth and employment creation in Kenya. They offer different types of economic services including credit, housing, mining, insurance, land buying, transport, building, construction etc. They have enormous capacity to undertake cost effective procurement and distribution of farm inputs, besides acquisition of new technologies.

Through mobilization of savings and provision of loans, co-operatives have brought their members into the mainstream national economic grid besides playing a vital role in financing education and medical services. However, the development of the co-operative movement in Kenya is confronted by challenges including poor governance, the consequent collapse or split of many co-operatives into small uneconomical units,

and a low capital base that limits their scope for business expansion and innovation (MOCD&M, 2008)

During the 2008-2012 strategic plan period, the MOCD&M will focus on attainment of three key strategic objectives: to formulate and strengthen the policy, legal and institutional framework for Co-operative development; to facilitate the implementation of a comprehensive co-operative marketing strategy; and to build adequate capacity within the Ministry and the co-operative movement to provide quality, efficient and effective promotional and advisory services and respond to challenges of enhancing global competitiveness of the movement's products and services. While developing the strategic plan, the Ministry adopted a performance management instrument framework known as the Balanced Scorecard (BSC) to translate its vision and goals into strategies and activities. The BSC framework focuses on institutional performance towards key deliverables and will be used to guide the implementation of all the Ministry's objectives. The BSC would help the Ministry communicate its' vision, mission and strategy to stakeholders and employees, and for aligning day to day work to the strategy, and provide a framework for planning, measuring and managing the strategy as viewed from different perspectives of the Ministry. It would help the Ministry to measure performance and monitor strategic success and guide the selection of strategic initiatives. The measurements would provide guidance in budgeting and allow the Ministry to learn what works (Op cit)

1.3 Statement of the Problem

An organization's strategy must be appropriate for its resources, environmental circumstances and core objectives. A good strategy should integrate an organization's

goals, policies and tactics into a cohesive whole and must be based on business realities. Strategy must connect with vision, purpose and likely future trends. Implementing strategy is more challenging and time consuming than crafting them. Many organizations have formulated excellent strategies but have not achieved excellent results due to poor strategy implementation. The failure of these strategies can be attributed to managerial activities that are undertaken to implement strategies, lack of resources, un-anticipated changes in the market, effective competitor response to strategy, timeliness and effectiveness, and poor attention from senior managers. Managing resistance to change has also proved difficult for most organizations (Giles, 1991)

Several studies have been undertaken on challenges facing strategy implementation and these include: Koske (2003) studied Strategy Implementation and its Challenges in Public Corporations: a case of Telkom Kenya. He found that major challenges facing the organization were poor management; inadequate resources; poor leadership; limited IT capacity, stringent Government regulations and unsupportive culture. He concluded that it was necessary for the company's strategy to be in line with the structure, leadership, culture, resources and supportive systems. Omollo (2007) studied challenges of Implementing Strategic decisions at Kenya Armed Forces Insurance Scheme and established that implementation of strategic decisions is an ongoing process that requires monitoring and evaluation at all stages to determine the best alternatives in the process at any given point in time due to the changing environmental conditions and that an organization needs to formulate clear well documented strategies to be implemented and that managerial and staff support at all levels of the organization is needed for successful results. Muthuiya (2004) studied Strategy Implementation Challenges in Non-profit making Organizations in Kenya: a

case of AMREF Kenya and found that it encountered challenges in unpredictable changes in the business environment; faced inadequate funding; unsupportive cultures and resistance to change.

In implementing its strategies as set out in the 2003-2007 and 2008-2012 strategic plans, the MOCD&M made progress in addressing the governance challenges facing the co-operative movement by reviewing the Co-operative Societies' Act (CSA) besides successful enforcement of compliance with the Act. Other achievements included the revival of key institutions in the co-operative sector e.g. the New KCC and KNFC, enactment of the SACCO Act, and decentralization of the operations of the Co-operative Tribunal. While implementing these strategic plans, the Ministry faced various challenges that must be addressed for its objectives to be effectively realized. The challenges included inadequate policy, legislative and institutional framework, inadequate funding, limited staff capacity; and low levels of staff motivation (MOCD&M, 2008)

After reflecting on the studies as carried out above, none covered challenges of strategy implementation at the MOCD&M yet it plays a crucial role in the economic development of the country and it's on this basis that the researcher carried out the study. The research questions answered were: What were the practices of strategy implementation at the Ministry of Co-operative Development and Marketing? What were the major factors hindering strategy implementation at the Ministry of Co-operative Development and Marketing? How the Ministry of Co-operative Development and Marketing was responding to these challenges?

1.4 Objectives of the study

The study was guided by the following objectives:

- a) To identify and document the strategy implementation practices at the MOCD&M
- b) To identify challenges faced in strategy implementation at the MOCD&M
- c) To identify how the Ministry was responding to the challenges involved in strategy implementation

1.5 Significance of the Study

The study findings will assist identification and understanding of various strategies adopted and how they are implemented by the MOCD&M to achieve its objectives. A strategy being, a pattern or plan that aligns goals, policies and actions into a cohesive whole enhances outcomes through marshalling of resources together to enable the organization achieve its goals. Regular assessment of strategies assists organizations in setting long term goals. The Permanent secretary and his staff in the Ministry shall use the study findings to improve their interaction in implementing the strategies.

The study identified challenges faced in strategy implementation and proposed to the senior management of the Ministry some interventions on how to overcome the challenges. This was due to the fact that organizations encounter a myriad of challenges in strategy implementation. These consequently hinder achievements of its objectives thus making an organization lose its focus.

The study provides valuable information for the MOCD&M stakeholders who have an interest in the Policy directions impacting on the Co-operative sector in Kenya and

those being implemented by the Ministry hence be able to devise effective ways of collaboration in the Co-operative sector.

To academicians, the study forms the rationale behind which other replicative studies can be undertaken in the future

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature guided by the objectives of the study. It covers: strategic management in organizations; strategy implementation process; factors influencing strategy implementation in organizations; challenges of strategy implementation in organizations; and organizational responses to challenges of strategy implementation

2.2 Strategic Management in Organizations

Strategic management is an ongoing process that evaluates and controls the business and the industries in which the company is involved; assesses its competitors and sets goals and strategies to meet all existing and potential competitors; and then reassesses each strategy annually or quarterly [i.e. regularly] to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors, a new economic environment, or a new social, financial, or political environment (Lamb, 1984).

Using the strategic management approach, managers at all levels of the firm interact in planning and implementing. As a result the behavioral consequences of strategic management are similar to those of participative decision making. Therefore, an accurate assessment of the impact of strategy on organizational performance requires not only financial evaluation criteria but also measures of behavior – based effects. In fact promoting positive behavioral consequences also enables the firm to meet its financial goals (Langley, 1988).

The strategic management process consists of three stages: strategy formulation, strategy implementation, and strategy evaluation. Strategy formulation includes developing a business mission, identifying an organizations external opportunities and threats, determining internal strengths and weaknesses, establishing long term objectives, generating alternative strategies, and choosing particular strategies to pursue. Strategy formulation issues include deciding what new businesses to enter, what business to abandon, how to allocate resources, whether to expand operations or diversify, whether to enter international markets, whether to merge or form a joint venture, and how to avoid a hostile takeover. Strategy implementation requires a firm to establish annual objectives, devise policies, motivate employees and allocate resources so that formulated strategies can be executed; strategy implementation includes developing strategy – supportive culture, creating an effective organizational structure, redirecting marketing efforts, preparing budgets, developing and utilizing information systems and linking employee compensation to organizational performance (David, 1997)

The concepts 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 the public sector is probably greater than that in 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. (Johnson and Scholes, 2001)

However, regardless of the profitability of strategic plans, several behavioral effects of strategic management improve the firm's welfare: group – based strategic decisions are likely to be drawn from the best available alternatives. The strategic management

process results in better decisions because group interaction generates a greater variety of strategies and because forecasts based on the specialized perspectives of group members improve the screening of options; the involvement of employees in strategy formulation improves their understanding of the productivity – reward relationship in every strategic plan and, thus, heightens their motivation; gaps and overlaps in activities among individuals and groups are reduced as participation in strategy formulation clarifies differences in roles; resistance to change is reduced (Pearce and Robinson, 1997).

Strategic management exists when an organization goes beyond normal planning and implements those planning in strategic way. Strategic management involves strategic planning to determine organizational goals, objectives and implementation strategies; resources management to configure and allocate resources among units within an organization to implement the plans; control and evaluation to ensure the implementation of the strategies (Vinzant and Vinzant, 1996). The government of Tanzania introduced a new management approach that insists on management by strategic planning for all public sector organizations. In order to coordinate and harmonize strategic management process in the government, the Public Service Management, a responsible ministry for coordinating public sector reform in the country, issued a strategic management guideline to guide the formulation and design of strategic planning in the entire public sector. This represented a typical planning procedure for public organizations in Tanzania. It provided a 'how-to- do strategic planning' for public organizations and that is why all public organizations in Tanzania have almost a similar design of their strategic plans. Many organizations, particularly Ministries, major departments and agencies have all embarked on developing their strategic plans as required by the government (Rugumyamheto, 2004)

2.3 Strategy Implementation Process

Despite the need to tailor an organization's strategy – executing approaches to the particulars of its situation, certain management bases have to be covered no matter what the circumstances. Eight managerial tasks crop up repeatedly in an organization's efforts to execute strategy: building an organization with the competencies, capabilities and resource strengths to execute strategy successfully; marshaling sufficient money and people behind the drive for strategy execution; instituting policies and procedures that facilitate rather than impede strategy execution; adopting best practices and pushing for continuous improvement in how value chain activities are performed; installing information and operating systems that enable company personnel to carry out their strategic roles proficiently; tying rewards directly to the achievement of strategic and financial targets and to good strategy execution; instilling a corporate culture that promotes good strategy execution; and finally exercising strong leadership to drive execution forward, keep improving on the details of execution, and achieve operating excellence as rapidly as feasible. How well managers perform the tasks has a decisive impact on whether the outcome is a spectacular success, a colossal failure or something in between (Thompson, et al 1992)

In devising an action agenda for implementing and executing strategy, the place for managers to start is with a probing assessment of what the organization must do differently and better to carry out the strategy successfully. They should then consider precisely how to make the necessary internal changes as rapidly as possible. Successful strategy implementers have a knack for diagnosing what their organizations need to do to execute the chosen strategy well and figuring out how to

get things done – they are masters in promoting results-oriented behaviors on the part of the organizational personnel and following through on making the right things happen in a timely fashion (Bossidy and Charan, 2002).

In big organizations with geographically scattered operating units, the action agenda of senior executives mostly involves communicating the case for change to others, building consensus on how to proceed, installing strong allies in positions where they can push implementation along key organizational units, urging and empowering subordinates to keep the process moving, establishing measures of progress and deadlines, recognizing and rewarding those who achieve implementation milestones, directing resources to the right places, and personally leading the strategic change process. Thus, the bigger the organization, the more successful strategy execution depends on the cooperation and implementation skills of operating managers that can push needed changes at the lowest organizational levels and deliver results. In small organizations, top managers can deal directly with frontline managers and employees, personally orchestrating the action steps and implementation sequence, observing firsthand how implementation is progressing, and deciding how hard and how fast to push the process along. Regardless of the organization's size and whether implementation involves sweeping or minor changes, the most important leadership traits are a strong, confident sense of what to do and how to do it. Having a strong grip on these two things comes from understanding the circumstances of the organization and the requirements for effective strategy execution (Thompson, et al 1992)

Building an organization capable of good strategy execution entails three types of an organization building actions: staffing the organization – assembling a talented “can do” management team, and recruiting and retaining employees with the needed

experience, technical skills, and intellectual capital; building core competencies and competitive capabilities that will enable good strategy execution and updating them as strategy and external conditions change; and structuring the organization and work effort – organizing value chain activities and business processes and deciding how much decision-making authority to push down to lower level management and frontline employees (Op cit)

2.4 Factors influencing Strategy Implementation

Formulating appropriate strategies is not enough. For effective strategy implementation, the strategy must be supported by decisions regarding the appropriate organization structure, reward system, organizational culture, resources and leadership. Just as the strategy of the organization must be matched to the external environment, it must also fit the multiple factors responsible for its implementation (Bateman and Zeithaml, 1993). Hill and Jones, (1997) argue that implementation of strategy is a way in which a company creates the organizational arrangement that allows it to pursue its strategy most effectively. Successful strategy implementation therefore must consider issues central to its implementation which include, matching organizational structure to strategy, creating a supportive organizational culture among other issues (David, 1997)

2.4.1 Organizational Structure

Organizations should be structured in such a way that they can respond to pressures from the environment and pursue any appropriate opportunities which are spotted (Lorsch and Sheather, 1967). Thompson and Strickland (1980) note that strategy implementation involves working with and through other people and institutions of change. It is important therefore that in designing the structure and making it

operational, key aspects such as empowerment, employee motivation and reward should be considered. Thompson and Martin, (1997) define structure as the means by which the organization seeks to achieve its strategic objectives and implement strategies and strategic changes. Strategies are formulated and implemented by managers operating within the current structure. The structure of an organization is designed to breakdown how work is to be carried out in business units and functional departments. People work within these divisions and units and their actions take place within a defined framework of objectives, plans, and policies. Successful strategy implementation depends on a large part on how a firm is organized. Owen (1982) agrees that strategy and structure need to be matched and be supportive of each other in order to achieve the objectives set. The structure helps an organization identify its activities and the way in which it will co-ordinate them to achieve the firm's strategic objective. It also provides managers with a vehicle to exploit fully the skills and capabilities of the employees with minimal costs and at the same time enhance the firm's capacity to achieve superior efficiency, quality, innovation and customer responsiveness (Pearce and Robinson, 1997).

2.4.2 Organizational culture

Culture is a set of assumptions that members of an organization share in common (shared beliefs and values). Organizational culture helps in nurturing and dissemination of core values. Implementation of new strategy will be concerned with adjustments in the structure, employees, systems and style of doing things in order to accommodate the perceived needs of the strategy (Pearce and Robinson, 1997). Wehrich and Koontz (1993) look at culture as the general pattern of behavior, shared beliefs and values that members have in common. Culture can be inferred from what

people may do and think within an organizational setting. It involves the learning and transmitting of knowledge, beliefs and patterns of behavior over time.

2.4.3 Leadership and management

Organizational structure on its own is not sufficient to ensure successful implementation of a strategy, effective leadership is required. A leader is one who influences others to attain goals. Leaders have a vision and they move people and organizations in directions they otherwise would not go. In a competitively “chaotic” environment, one essential contribution of a strategic leader is to provide and share a clear vision, direction and purpose for the organization (Bateman and Zeithaml, 1993)

Leadership is the key to effective strategy implementation. The role of the Chief Executive Officer (CEO) is fundamental because he’s seen as a catalyst closely associated with and ultimately is accountable for the success of a strategy. The CEO’s actions and the perceived seriousness to a chosen strategy will influence subordinate managers’ commitment to implementation. The personal goals and values of a CEO strongly influence a firms’ mission, strategy and key long-term objectives. The right managers must also be in the right positions for effective implementation of a new strategy (Hill and Jones, 1997). Top management goodwill and ownership to drive the process is also critical to effective implementation of strategy. Thompson and Martin, (1997) argue that a strategic leader must direct the organization by ensuring that long term objectives and strategies have been determined and are understood and supported by managers within the organizations who will be responsible for implementation

2.4.4 Resources and Capacity

Thompson et al, (1992) contend that effective strategy implementation depends on competent personnel and effective internal organizational systems. No organization can hope to perform the activities required for successful strategy implementation without attracting, motivating and retaining talented managers and employees with suitable skills and intellectual capital. The task of implementing challenging strategic initiatives must be assigned to executives who have the skills and talents to handle and can be counted on to turn decisions and actions into results to meet established targets. Without a smart, capable result-oriented management team, the implementation process ends up being hampered by missed deadlines, misdirected or wasteful efforts. Building a capable organization is thus a priority in strategy execution. High among organizational building priorities in the strategy implementation is the need to build and strengthen competitive valuable competencies and organizational capabilities

2.5 Challenges of Strategy Implementation in Organizations

Firm, managers must be trained to guard against unintended negative consequences in strategy implementation. First, that the strategic management process is costly in terms of hours invested by participants, the negative effects of managers spending time away from work is considered less often. Managers must be trained to schedule their duties to provide the necessary time for strategic activities while minimizing any negative impact on operational responsibilities. Secondly, if the formulators of strategy are not intimately involved in implementation, individual responsibility for input to the decision process and subsequent conclusions can be shirked. Thus, strategic managers must be trained to limit their promises to performance that can be

delivered by the decision makers and their subordinates. Thirdly, strategic managers must be trained to anticipate, minimize, or constructively respond when participating subordinates become disappointed or frustrated over unattained expectations (Pearce and Robinson, 1997).

Implementation is not merely a matter of operationalising the strategy but rather more challenging as it involves exercising command over resources, employees and their work. This approach assumes a logical and hierarchical distinction between strategy formulation and implementation, with implementation delegated to a subordinate status as the responsibility of “middle management”. Here, implementation is seen as more mundane and detailed compared with creating a grand design and vision of the future. Some practitioners argue that if middle management has control over implementation, they may therefore have effective control over strategy itself. (Forster and Browne, 1996)

Four main barriers to strategy implementation include implementation taking more time than planned, poor communication, lack of co-ordination and support from other levels of management, resistance from lower levels and lack of or poor planning activities. These challenges and barriers are all related to individual implementation factors and also being able to achieve coherence between the factors (Kotter, 1995).

One of the key impediments to strategy execution lies in the shortcomings and challenges of functionally based organizations where co-operation among many, if not all, functions is necessary. Many creative approaches to this complex problem have been proposed such as building a strategy implementation network (Noble, 1999) or a process-centered organization (Hammer, 1996). However formal structure is not an important reason for success in winning organizations in Australia as

structures in these organizations are constantly changing to cope with new projects starting and older ones concluding (Hubbard et al., 2007)

Organizations face difficulties while implementing their strategies for different reasons. There is uncertainty about what these processes include and where they begin and end. Such uncertainty includes weak management roles in implementation, lack of knowledge and communication to guide their actions, unawareness or misunderstanding of the strategy, poor coordination, inadequate capabilities, competing activities within the working team, unfortunate market timing, uncontrollable environmental factors, misaligned operations and insufficient monitoring and evaluation of the process (Okumus, 2003)

When confronted with discontinuities, the firm is faced with two very difficult problems: how to choose the right direction for further growth from among many and imperfectly perceived alternatives; how to harness the energies of a large number of people in the new chosen direction. Answers to these questions are the essence of strategy formulation and implementation. At this point, strategy becomes an essential and badly needed managerial tool. Such conditions were the cause of interest in explicit strategy formulation in the United States (US) during the mid 1950's, when pent-up war time demand began to reach saturation; when technology began to make obsolete industries and to proliferate new ones; and when restructuring of international markets presented both new threats and new opportunities to business firms. An explicit new strategy also becomes necessary when the objectives of an organization change drastically as a result of new demands imposed on the organization by society. This is precisely what is happening today in many non business purposive organizations: the church, universities, the government (Ansoff, 1990).

Strategy introduces elements of rationality which are disruptive to the historical culture of the firm and threatening to the political processes. A natural organization is to fight against the disruption of the historical culture and power structure, rather than confront the challenges posed by the environment. The reaction was highly visible in the efforts to introduce Public Programming Building Systems, (PPBS) into the US government. It's less visible but nevertheless present and strong, during introduction of strategic planning into the business firm. A no less important difficulty is that introduction of strategic planning triggers conflicts between previous - profit making activities. Organizations typically do not have the capability, the capacity or the motivational systems to think and act strategically. Finally, organizations generally lack information about themselves and their environment which is needed for effective strategic planning; nor do they have the managerial talents capable of formulating and implementing strategy (Ansoff and McDonnell, 1990).

Frequently the causes of breakdown in strategy implementation relate to the capabilities, processes and activities that are needed to bring the strategy to life. Effective execution calls for unique, creative skills including leadership, precision, and attention to detail, breaking down complexity into digestible tasks and activities and communicating in clear and concise ways throughout the organization and to all its stakeholders. Intricate control and feedback mechanisms are also necessary to hone the operations to align with business strategy. These are tasks that are just as intellectually demanding as vision and strategy formulation itself (Raffoni, 2003)

2.6 Organizational Responses to Challenges of Strategy

Implementation

It's important for organizational sub-units and individuals to be committed to implementing and accomplishing strategy. In order to solidify the organizational commitment to putting the strategic plan in place, as with anything else that needs doing, is typically achieved via motivation, incentives, and rewarding of good performance. The range of options for getting people and organizational sub-units to push hard for successful strategy implementation involves creatively using the standard/punishment mechanisms-salary raises, bonuses, stock options, fringe benefits, promotions (or fear of demotions), assurance of not being sidelined and ignored, praise, recognition, constructive criticism, tension, peer pressure, more (or less) responsibility), increased (or decreased) job autonomy, the promise of attractive location assignments, and the bond of group acceptance. The skill is to inspire employees to do their best and to be winners, giving them in the process a sense of ownership in the strategy and commitment to make it work (Thompson and Strickland 1989)

To build a strategy-supportive culture hinges directly on the abilities and actions of the strategy manager. The value shaping, culture building task of the manager is concerned, on the one hand, with specifying lofty, inspirational visions that will generate enthusiasm organization wide, not just among a few top level sub-ordinates and on the other hand, with instilling these values mainly through actions and deeds, rather than emotional rhetoric. The successful approaches to creating a spirit of high performance involve an intense people-orientation, reinforced at every conceivable way and mirrored down-the-line people in every activity. The goal is to get everybody

in the organization involved and emotionally committed. The idea is to try to generate contagious enthusiasm as at all levels and among all employees, utilizing a tough minded respect for the individual employee, a willingness to train each employee thoroughly, a belief in setting reasonable and clear performance expectations, and painstaking effort to grant employees enough autonomy to stand out, excel and contribute. An important aspect of creating a results-oriented culture is making champions out of the people who turn in winning performances (Peters and Waterman, 1985)

Poor strategy implementation can make a sound strategic decision ineffective or a debatable choice successful, it's important to examine the process of implementation of strategy, which is comprised of a series of sub-activities which are primarily administrative. If purpose is determined, then the resources of a company can be mobilized to accomplish it. An organizational structure appropriate for the efficient performance of the required tasks must be made effective by information systems and relationships permitting coordination of subdivided activities. The organization process of performing measurements, compensation, management development, all this enmeshed in systems of incentive and towards controls must be directed towards the kind of behavior required by organizational purpose (Mintzberg, 1994).

Public service organizations –for example health services and many of the amenities run by the local government face difficulties from a strategic point of view because they may not be allowed to specialize, and may not be able to generate surpluses from their services to invest in development. This can lead to a mediocrity of service where strategic decisions mainly take the form of striving for more and more efficiency so as to retain or improve services on limited budgets. Careful deployment of resources becomes very important. In the public sector, the notion of competition is

usually concerned with competition for resource inputs, typically within a political arena. The need to demonstrate best value in inputs has become increasingly important. Many of the developments of management practices in the public sector, such as internal markets, performance indicators, competitive tendering and so on, were attempts to introduce elements of competition in order to encourage improvements in value for money (Johnson and Scholes, 2001)

The process of implementing the strategic plan has been one of participatory consultations with staff, stakeholders and communities. Account has been taken of past policies on agriculture and various government strategies aimed at development of the agriculture sector and the economy as a whole. The Ministry of Agriculture's 2006 – 2010 strategic plan focused on the implementation of the Economic Recovery Strategies (ERS) and Strategy for Revitalizing Agriculture (SRA). With the success of the ERS and the launch of the Kenya Vision 2030, it became necessary to review the Ministry's strategic plan to align it with the Vision 2030 strategy and the first Medium Term Plan (2008-12). (MOA, 2008)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on the techniques and tools that were used in the study. It outlines the approach used in data collection, analysis and presentation. The approach used in data analysis was in line with the research objectives which the researcher undertook.

3.2 Research design

The researcher employed a case study research design to collect and analyze relevant data. The design brought a clear and an in-depth understanding of the objectives. It emphasized detailed contextual analysis of challenges of strategy implementation at the MOCD&M. The researcher investigated the objectives of the study in depth using an interview guide to produce evidence that led to understanding of the case and answered the research questions which targeted departmental heads at the MOCD&M.

3.3 Data collection

During the course of research, relevant data were collected from the respondents which were consistent with the objectives of the study. The researcher used both primary and secondary data.

Primary data was collected through the use of an interview guide which enabled the collection of relevant data that was used for detailed analysis of challenges of strategy implementation at the MOCD&M. Interviews were conducted to departmental heads who are engaged in strategy implementation through guidance of an interview guide. During the interviews, field notes were used to categorize and reference data for

detailed analysis. Probing was used to exhaust the required information when administering the interview guide. The instrument of this study was pre-tested to establish their usability which involved conducting a pilot study that interviewed heads of departments for response. This ensured validity and reliability of the instruments.

Secondary data was collected from the Ministry's Co-operative Development Investment Policy; Strategic Plan 2008-2012 and Co-operative Marketing Strategy 2009-2013. The researcher stated his intent and requested for copies of these documents, and plans for storage, classification, and retrieval of these documents. The MOCD&M written documentation and detailed write-ups were used to identify unique patterns.

3.4 Data analysis

The researcher employed content analysis since information gathered was qualitative in nature. This involved breaking down the complex information into small units of manageable information and also synthesizing small pieces of related information into useful piece of information. The researcher examined raw data to find linkages between the research objectives and the outcomes with reference to the research questions. The data analysis technique provided the researcher with opportunities to triangulate data in order to strengthen the research findings and conclusions. The researcher categorized, tabulated, and combined data to address the purpose of the study, and conducted cross-checks of facts. The final report was produced in a narrative form and compiled using Microsoft word after data was subjected to thorough analysis.

CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

The study on challenges of strategy implementation at the MOCD&M was aimed at addressing the following research questions as mentioned elsewhere in this report: *What are the practices of Strategy Implementation at the Ministry of Co-operative Development and Marketing? ; What are the major factors hindering strategy implementation at the Ministry of Co-operative Development and Marketing? ; How is the Ministry of Co-operative Development and Marketing responding to these challenges?* The study employed case study research design to bring a clear and an in-depth understanding of the objectives. With the study objectives in mind, an interview was conducted to fifteen (15) departmental heads who are engaged in strategy implementation. This was carried out with the assistance of an interview guide and their responses were captured for a more detailed content analysis. Probing was also used to exhaust the required information when administering the interview guide

4.2 Strategy Implementation at the MOCD&M

Successful strategy implementation process includes executing certain managerial bases which include: building an organization with the competencies, capabilities and resource strengths to execute strategy successfully; marshaling sufficient money and people behind the drive for strategy execution; instituting policies and procedures that facilitate rather than impede strategy execution; adopting best practices and pushing for continuous improvement in how value chain activities are performed; installing information and operating systems that enable company personnel to carry out their

strategic roles proficiently; tying rewards directly to the achievement of strategic and financial targets and to good strategy execution; instilling a corporate culture that promotes good strategy execution; and finally exercising strong leadership to drive execution forward, keep improving on the details of execution, and achieve operating excellence as rapidly as feasible. The study sought from departmental heads how various managerial bases such as organizational culture; human resources; financial resources; organizational policies and procedures; information and operating systems; and performance incentives either facilitate or impede strategy implementation

4.2.1 Organizational Culture at the MOCD&M

Organizational culture is a general pattern of behavior, shared beliefs and values that members have in common and helps in nurturing and dissemination of core values. The study revealed that the organizational culture at the MOCD&M impedes strategy implementation since it does not embrace team work. Departmental heads were found to execute strategies in their “own ways” without any co-ordination between respective departments in the Ministry. Besides that, the culture does not embrace creativity and innovation of new ideas since departmental heads are older generations who resist change and prefer maintaining the *status quo*. As a result, the Ministry has developed a poor organizational culture which highly impedes strategy implementation due to bureaucratic and corrupt networks. The study also revealed that the Ministry does not engage other relevant stakeholders in its strategy implementation process

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4.2.2 Human Resources at the MOCD&M

Building an organization capable of good strategy execution entails staffing the organization with the needed skills and expertise as well as building core competencies and competitive capabilities that will enable good strategy execution. The study revealed that the Ministry lacks adequate competent technical staff leading to impediment in strategy execution. The technical staffs are also misplaced as per their areas of specialization leading to inefficiency and ineffectiveness in operations. This situation is worsened by inadequate Human resource policy which leads to recruitment of employees whose areas of competence does not match job specifications and tasks to be implemented. Staff Training and Development in the Ministry was found to be building and equipping employees with irrelevant capacities to areas of strategy implementation leading to confused and misplaced expectations

4.2.3 Financial Resources at the MOCD&M

Allocation of adequate financial resources to various strategies is critical in successful strategy implementation process as it helps in meeting stakeholders expectations. The study findings revealed that the Ministry of Co-operative Development and Marketing has over time been faced with inadequate financial resources due to low budgetary allocations from the Ministry of Finance thus impeding the process of strategy implementation. This situation is worsened by delays in the disbursement of funds by the Ministry of Finance to the MOCD&M. Apart from these external factors; the study also revealed that the Ministry does not allocate funds to areas of priority. The allocation is haphazard leading to poor utilization and lack of accountability and transparency. This has in turn led to corruption networks due to nonexistent monitoring and evaluation of various strategies being financed

4.2.4 Organizational policies and procedures at the MOCD&M

A good strategy enhances outcomes through marshalling of resources, unique posturing, leverage competencies, and an awareness of environment and cognizance of intelligent opponents. Success in strategy implementation is initiated by identifying measurable, mutually determined annual objectives and developing specific functional strategies. Thus organizations should ensure that policies and procedures facilitate rather than impede effective execution. From the study, the MOCD&M has departments that have developed policies and procedures for implementation of strategies but they lack harmony. Lack of “ownership” of those policies has been key impediment in execution. Sometimes some departmental heads disown those policies citing exclusion from their formulation. The study revealed that each department develops its own policy leading to so many “inconsistent” policies. This has led to unnecessary bureaucracies that have impacted negatively on implementation and also “don’t care” attitude by the top managers. The policies are also not clear to the staffs at the field who are supposed to implement them. For instance, the MOCD&M strategic plan from where all departments are supposed to drive their work plans and targets is not followed by departmental heads thus impeding strategy implementation process

4.2.5 Information and Operating systems at the MOCD&M

Installing information and operating systems that enable organization personnel to better carry out their strategic roles day in and day out is a major factor for successful strategy implementation. These should be complemented with development and communication of concise strategies to guide decision making process. The study

findings revealed that the Ministry lacks adequate operating systems. For example there is a shortage of machines and equipment such as computers, vehicles, etc which has impeded strategy implementation process. It was also revealed that information flow is poor with departmental heads failing to share information with their colleagues and more so, failing to cascade information to the field staff who are engaged in implementation. This has greatly hampered the process since there is no teamwork in operations. As a result there is poor monitoring and evaluation systems since there is no information on the levels of strategy implementation processes

4.2.6: Performance incentives at the MOCD&M

Tying rewards and incentives to the achievement of performance objectives is a key factor in good strategy execution. This entails motivating people to pursue the target objectives energetically, and if need be, modifying their duties and job behavior to better fit the requirements of successful strategy execution. The study findings revealed that the MOCD&M has no performance incentives to reward those who excel in strategy implementation. The staffs are misplaced as per their levels of competence, poorly remunerated and promotions are not done on merit. The technical staffs at the field have stagnated in one job group for many years. This has been worsened by poor working conditions with little regard for their welfare. The outcome has been low morale among the employees

4.3 Challenges of Strategy Implementation at the MOCD&M

Organizations face difficulties while implementing their strategies for different reasons ranging from weak management roles in implementation; lack of knowledge and communication to guide their actions; unawareness or misunderstanding of the

strategy; poor coordination; inadequate capabilities; competing activities within the working teams; misaligned operations; insufficient monitoring and evaluation, among others. The MOCD&M, just like any other organization has been faced with numerous challenges arising from both internal to external factors as indicated below

Poor team work: this was revealed as a major factor impeding strategy implementation at the MOCD&M. Departmental heads operate as “lone rangers” without any co-operation between them and the junior staff who are also engaged in strategy implementation. More so, the planning process was revealed as not inclusive of all stakeholders thus lacking ownership and hence impeding strategy implementation. This has led to existence of gaps between top management and technical staff who are implementers due to misunderstandings in the whole process

Poor organizational culture: This was seen as major impediment towards good strategy implementation as top Managers do not embrace creativity of new ideas and there is resistance to change thus hampering the process of strategy implementation. This led to disjoint in linkages between the staff at the headquarters and those at the field as a majority of them are not aware of various strategies being planned by the Ministry. The use of “top-down” approach is seen as imposing strategies due to lack of ownership. The departmental work plans are not in line with Ministerial work-plans bringing conflicts in implementation among various departments. This was in turn viewed as major cause of bureaucracy in strategy implementation since each department works independently and claims ownership of various strategies

Inadequate Financial resources: The research findings revealed that the Ministry lacks adequate financial resources to implement its strategies. The majority of strategies to be implemented lag behind at the end of set timeliness for execution. This coupled with failure to prioritize implementation of the strategies has led to

misallocation of the financial resources to strategy implementation hence failure by the Ministry to achieve its objectives

Demoralized Staff: The study findings revealed that the staffs at the MOCD&M are not motivated to implement strategies effectively. This was attributed to poor Human resource policies which do not enhance staff capacity through training. In addition, the staffs are not placed at their levels of competence. The staffs are not given necessary incentives upon achieving performance targets to motivate them such as promotions, salary bonuses, etc. The staffs are not facilitated with adequate operating systems to operate efficiently and effectively

Poor Monitoring & Evaluation system: The study revealed that the Ministry lacks proper monitoring and evaluation mechanisms leading poor accountability and transparency in operations. There is poor communication between the staff at the headquarters and those in the field on the implementation of various strategies. There is a disjoint between planned strategies and ones being implemented. There are no proper feedback mechanisms on strategy implementation. Annual District and Provincial reports as well as the MOCD&M quarterly reports deviate from planned strategies due to lack of team work and co-ordination

4.4 The MOCD&M Response to Challenges of Strategy

Implementation

The study findings revealed that the MOCD&M has put in place minimal interventions to address the challenges identified above. The Government of Kenya issued guidelines to all Government Ministries, departments and Government agencies to develop strategic plans to guide their strategic direction and the

formulation and implementation of their long-term goals and objectives. The Ministry responded by developing strategic plans which give strategic direction on long-term goals and objectives. This is a major milestone towards good strategy implementation. Existence of unharmonized policy documents from various departments is a major setback that hampers smooth implementation of the strategies. The ministry is making efforts to bring all departmental heads on board to address the same though this is still a challenge.

As mentioned elsewhere in this report, financial constraints have negatively impacted on the strategy implementation. The ministry is trying to lobby for more funds from the Ministry of Finance to meet its performance targets. This is being complemented with cost cutting measures on financial resources to optimize the available resources effectively. To embrace team work, the ministry has identified key stakeholders who can assist in strategy implementation process and it's trying to link with them to assist in achieving performance targets.

CHAPTER FIVE: SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1 Summary

The study findings revealed the following patterns about strategy implementation practices at the MOCD&M: the organizational culture impedes strategy implementation at the MOCD&M since it does not support creativity and innovation; the ministry lacks adequate competent technical staff and the few who are technically qualified are in misplaced positions hence the conclusion that the Human resource at the MOCD&M impedes strategy implementation; financial resources is an impediment to strategy implementation as the allocation to the MOCD&M from the Ministry of Finance is inadequate. Secondly, within the Ministry the allocation is not prioritized to key areas and there's no definite criteria for the allocation; organizational policies and procedures are an impediment since they are not harmonized between various departments leading to conflicts and lengthy bureaucracies; information and operating systems is an impediment since the information flow is poor and there are inadequate machines and equipment for basic operations; there are no rewards as an incentive to staff who achieve their targets

The challenges of strategy implementation at the MOCD&M include poor team work; poor organizational culture that inhibits implementation of strategies; inadequate financial resources; demoralized staff; and poor monitoring and evaluation systems. The MOCD&M response to these challenges has been minimal with little interventions to addressing these challenges. It has designed strategic plans. Currently, a second five year strategic plan (2008-2012) is being implemented; efforts to harmonize the functions of the various departments; lobbying for more funds from

the Ministry of Finance; cost-cutting measures and identification of key stakeholders critical to strategy implementation.

5.2 Recommendations

In view of the above, the researcher recommends the following: the Ministry's top management to consider a culture change by adopting a "bottom-up" approach in strategy formulation and implementation in order to bring on board all the employees and relevant stakeholders, organize retreats that help build team work, provide standards, values, informal rules and peer pressures that nurture and motivate people to do their jobs in ways that promote good strategy execution and in order to facilitate these a change consultant be hired; sourcing for funds from other stakeholders to supplement those from the Ministry of Finance specifically US aid and International Finance Corporation. Secondly, within the Ministry these financial resources should be allocated prudently in the order of priority; the management of the Ministry should consider setting up an inter-departmental taskforce to harmonize policies and procedures so as to reinforce strategy implementation; develop a human resource policy which embraces competent manpower who will be undergoing regular training in order to perform their duties better in line with the strategies being implemented; Introduce rewards and recognition policy and these should be specific to achievement of the strategic tasks. Ensure that the performance management system recognizes and rewards the ways that are desired; the Ministry should develop a modern communication policy that will be able to provide real time information; key stakeholders be incorporated in strategy implementation process specifically the Co-operative college of Kenya to offer Training solutions to the staff, KUSCCO and Co-operative Alliance of Kenya who advocate on behalf of the Co-operative societies in

Kenya; a continuous M&E system be put in place to provide feedback on progress of strategy implementation.

Future research should be considered to study the three stages of strategic management process at the MOCD&M namely: strategy formulation; strategy implementation; and strategy evaluation since strategic management involves strategic planning to determine organizational goals, objectives and implementation strategies; resources management to configure and allocate resources among units within an organization to implement the plans; control and evaluation to ensure the implementation of the strategies

5.3 Conclusion

In view of the critical role played by the ministry in the realization of the Kenya Vision 2030 and economic development, it's imperative that the management of the ministry seriously considers adopting the above mentioned recommendations.

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Appendix 1: AN INTERVIEW GUIDE ON STRATEGY IMPLEMENTATION AT

The MOCD&M (for the MOCD&M Departmental Heads)

Serial No.

Day Month Year			Day of the Week of Interview							
Date....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
			Mon	Tue	Wed	Thur.	Fri	Sat	Sun	

Respondent's Name (*Optional*).....

Department.....

(A) Strategy Implementation at the MOCD&M

1. Strategies implementation process involves executing certain managerial tasks. How do the following tasks facilitate or impede the strategy implementation process at the MOCD&M?
 - a) Organizational culture
 - b) Human resources
 - c) Financial resources
 - d) Organizational policies and procedures
 - e) Performance incentives

2. Are there any other managerial tasks that facilitate or impede the strategy implementation process at

the MOCD&M?

3. Are you fully engaged in the strategy implementation process?
4. If *engaged*, which role(s) do you play in the implementation process?
5. Do you engage stakeholders in strategy implementation?
6. If *so*, please name them and role(s) that they play?
7. Do you feel that the whole process of strategy implementation is all inclusive?
8. Why do you think so?
9. What feedback mechanisms have you put in place?
10. How do you rate the process of strategy implementation?
11. Why do you think so?

(B) Challenges faced in Strategy Implementation at the MOCD&M

1. Do you encounter any challenges in Strategy Implementation?
2. If *you do*, which challenges?
3. How is the Ministry responding to the above challenges?
4. Are there any stakeholders who can assist ministry overcome the above challenges?
5. If *any*, name them and role(s) that they can play?
6. Which recommendation(s) can you propose to improve on strategy Implementation?

Thanks for your response