

**CHALLENGES OF STRATEGY IMPLEMENTATION FACED BY
INTERNATIONAL NGOs IN SOMALILAND**

BY

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DECLARATION

I, undersigned, declare that this research project is my original work and has not been submitted to any other institution, college, or university.

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

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DEDICATION

This research is dedicated to:

My Dear Father and my role model

Mohamed Nour Fahiye

My Dear beloved Mother

Sahra Murud Sheekh

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ABBREVIATIONS AND ACRONYMS

| | |
|--------|--|
| CEO: | Chief Executive Officer |
| BoD: | Board of Directors |
| BSC: | Balanced Scorecard |
| DFID: | UK Department for International Development |
| EC: | European Commission |
| GOS: | Government of Somaliland |
| HO: | Head Office |
| MBA: | Master of Business Administration |
| MDG: | Millennium Development Goal |
| MNC: | Multinational Corporation |
| NDP: | National Development Plan |
| NGO: | Non-Governmental Organization |
| INGO: | International Non-Government Organization |
| UN: | United Nations |
| USAID: | United States Agency for International Development |
| UON: | University of Nairobi |

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ABSTRACT

Strategic management process is a full set of commitments, decisions, and actions required for a firm to achieve strategic competitiveness (Hitt et al., 2011). Thus strategy implementation is regarded as the actions required to undertake in order to achieve competitive advantage. However, during strategy implementation there are challenges that hinder smooth implementation of the strategy plans and it is impossible to foresee all the problems that will arise during implementation. Therefore, the study was aimed at identifying strategy implementation challenges faced by INGOs in Somaliland. The research question was answered through the use of cross-sectional study. The reason of applying cross-sectional design is because data was collected at one point in time. The population of the study was 70 active INGOs registered under Somaliland ministry of planning. 25% sample size was selected purposively from INGOs that operated more than five years. 83% of the sampled INGOs responded the questionnaire and 17% did not respond and declined to fill in the questionnaire. The study collected primary data which was analyzed using descriptive statistics including frequencies tables, percentages, mean scores, standard deviation, ranking orders, and pie and bar charts. The study found that all INGOs operating in Somaliland have mission statement, strategy plans, and annual objectives. Majority of the INGOs have vision statement, and functional strategies. Most of the INGOs applied formal planning practices. Greater part of the INGOs revealed that program strategies, functional strategies, and annual objectives are derived from corporate strategy in combination with donor guidelines, management meetings, and stakeholders' feedback among others. Majority of the NGOs refer strategy plan when developing project proposals. The study established eight main strategy implementation challenges faced by INGOs in Somaliland. Eight major problems that were identified in the study included co-ordination was not sufficiently effective, people were not measured or rewarded for executing the plan, insufficient financial resources to execute the strategy, major problems surfaced which had not been identified earlier, changes in security levels impact implementation, took more time than originally allocated, lack of stakeholder commitment, and key formulators of the strategic decision did not play an active role in implementation. Lastly, the study established that majority of the INGOs reviewed their strategy plans on yearly basis. Also, most of INGOs frequently achieved their intended outcome and in that regards, they also achieved their financial targets that enabled them to reach the target goals while operating within allocated resources.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategy management involves the planning, directing, organizing, and controlling of company's strategy related decisions and actions (Wachiuri, 2008). Pearce and Robinson (2011) have defined strategy management as the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives. Therefore, strategy management deals with the formulation, execution, assessment, and control of strategic decisions in order to achieve organizational goals and objectives.

Theory guides proper strategic management for organizational functioning and survival. Resource-based theory of strategy focuses on firm's possession and use of resources and competencies as a competitive advantage. Institutional theory proposes that organizations can adapt to varying environmental conditions by imitating other successful organizations. The theory of Strategic choice perspective proposes that not only do organizations adapt to a dynamic environment but they also have the capacity to influence and shape their environment (Wheelen and Hunger, 2008). Strategic fit theory involves aligning organizational strategy to the environment. Grant (2010) noted that for a strategy to be successful there must be consistency between organizational internal elements such as goals, values, structures, systems, resources, capabilities and the external environment. Finally, Systematic planning view entails that organizations predetermine the strategic direction of the organization. That means management plays tremendous role by predetermining the strategic direction of the organization.

International NGOs have been operational in Somaliland since 1991. As any other international organization, they operate in more than one country and mostly they have their regional offices in Nairobi. They implement development and emergency projects and programs in partnership with local actors, UN agencies, and Government institutions. They receive funding from donor agencies, governments, multinational corporations, and individuals.

1.1.1 Concept of Strategy

The concept of strategy is multidimensional in which different scholars have defined differently depending on the context and perspective. Some scholars including Hofer and Schendel (1978), and Grant (2010), have looked strategy as the link between organization and its environment. Others such as Pearce and Robinson (2011), Johnson, Scholes, & Whittington (2008), and Chandler (1962) have noted strategy as determination of long-term direction, and purpose for an organization.

Hofer and Schendel (1978) defined Strategy, (as cited in Mintzberg, Quinn, and Ghoshal, 2002), as the mediating force or “match” between organization and environment, that is, between the internal and external context. Grant (2010) have supported by developing the basic framework which elaborates strategy as the link between the firm and its environment.

Figure 1.1 The basic framework: strategy as a link between the firm and its environment



Source: Grant, R. M (2010), Contemporary Strategy Analysis, John Wiley & Sons Ltd, 7th Ed. p 12

Grant (2010) further elaborated that the firm consists of these elements which are goals, values, resources, capabilities, structure, and systems. The industry environment is defined by the firm’s relationships with customers, competitors, and suppliers.

Pierce and Robinson (2011) defined strategy as large-scale, futuristic plans for interacting with the competitive environment to achieve company objectives. Johnson et al. (2008) noted that Strategy is the direction and scope of an organization over the long term, which achieves advantage in a shifting environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations. Ansoff and McDonnell (1990) defined strategy as a set of decision making rules for guidance of organizational behavior. Such decision making rules include dealing with performance, relations with internal and external environment, and rules for operating policies.

Chandler (1962) defined strategy as the determination of the long-run goals and objectives of an organization, and the embracing of courses of action and the allocation of resources essential for carrying out these goals. Grant (2010) have agreed that strategy is the means by which individuals or organizations achieve their objectives. He noted that strategy is focused on achieving certain goals; that the critical actions that make up a strategy involve allocation of resources; and that strategy implies some coordination of decisions and corresponding actions.

Mintzberg et al. (2002) defined strategy as plan, ploy, pattern, position, and perspective. Strategy is a plan of deliberately projected course of action, a basic principle that guide in dealing with a situation. In addition, Strategy can be a ploy for a specific “maneuver” aimed at defeating opponent or competitor. Strategy as a pattern is a stream of actions. Strategy as a position is a means of locating an organization in an “environment”. Finally, Strategy is a perspective, its content consisting not just of a chosen position, but a way of perceiving the world.

Strategy exists in different levels in an organization depending the size and degree of diversification. Business strategy is classified into corporate, business unit, and functional levels. Corporate level determines the long-term plans and strategies. Business unit level managers translate the statements of direction and intent generated at the corporate level into concrete objectives and strategies for individual business divisions. Functional level develops annual objectives and short-term strategies in such areas as production, operations, research and development, finance and accounting, marketing, and human relations (Pearce and Robinson, 2011; Mintzberg et al., 2002).

Strategy can be either formal and documented or informal. Formality of strategy depends on the size of the organization, the scope of operations, the complexity and turbulence of the environment. Formality, according to Pearce and Robinson (2011), refers to the degree to which members, responsibilities, power, and discretion in decision making are specified. Mintzberg et al. (2002) argue that strategy can be intended, which is well thought out and planned, or emergent, which evolves without planning in advance. Lynch (2009) has explained emergent strategy as Darwinian in its approach by adapting itself as the environment changes.

1.1.2 Strategy Implementation

Strategy implementation is described as an action phase of the strategic management process. In order to ensure success, strategy must be translated into carefully implemented actions (Wambugu, 2006). Strategy implementation, therefore, is carefully considered processes of ensuring strategies that have been formulated within the organization are executed in order to achieve organizational goals and objectives (Ngonze, 2011).

Strategies are meant to be translated into action plans that lead to proper execution so as to ensure that organizational goals and targets are met. According to Aosa (1992), even though implementation is not easy, but once strategies are developed they must be implemented. Thompson et al. (2008) stipulated that strategy supportive organizational climate and culture are not only important but necessary in implementing strategies effectively. When major strategic changes are being implemented, a manager's time and effort is best spent in leading the changes and promoting needed cultural adjustments. Implementing strategies does not mean only executing preplanned strategic intentions; there are also emergent strategies that are of prime importance. Aaltonen and Ikavalko (2002) suggest that planned strategies and emergent strategies evolve hand-in-hand and affect each other in the process of strategy implementation. Therefore, in order to implement strategies successfully it is important to match planned and emergent strategies. As a result strategies are to be communicated, interpreted, adopted, and enacted.

1.1.3 Challenges of Strategy Implementation

Execution of strategies does not happen without obstructions and it is impossible to foresee all the problems that will arise during implementation. However, management researchers identified some impeders of strategy implementation to be poor communication, insufficient coordination, unawareness or misunderstanding of strategy, lack of adjusting organizational systems, resources, and capabilities, competing activities, poor reward and remuneration, uncontrollable environmental factors, and poor management support (Alexander, 1985; Aosa, 1992; Al-Ghamdi, 1998; Galpin, 1998; Beer and Eisenstat, 2000; Aaltonen and Ikavalko, 2002).

Shah (1996) found factors affecting strategy implementation include strategy making process, management commitment, effective leadership, employee commitment, rewards and incentives. Failures of strategy implementation are inevitable when organizations fail to address those factors accordingly during the implementation of the strategy. In addition, Pearce and Robinson (2011) argued that to effectively direct and control the use of firm's resources, mechanisms such as organizational structure, information systems, leadership styles, assignment of key managers, budgeting, reward and control systems are essential strategy implementation ingredients.

1.1.4 International NGOs in Somaliland

Somaliland as a country covers the territory, and boundaries of the former British Somaliland Protectorate which was under the British rule from 1884 to 26 June 1960. Somaliland achieved full independence from the United Kingdom on 26 June 1960 and united with former Italian-ruled South Somalia on 1st July 1960 to form the Somali Republic. The Republic of Somaliland seceded from Somalia on 18 May 1991 as a result of the civil war in the late eighties and early nineties (GOS – Somaliland in Figures, 2011). However, Somaliland is yet to achieve international diplomatic recognition.

Somaliland is situated in the Horn of Africa and its boundaries are defined by the Gulf of Aden in the North, South Somalia in the East, the Federal Republic of Ethiopia in the South-West, and the Republic of Djibouti in the North-West. The total area of the Republic of Somaliland is 137, 600sqkms, and it has a coastline of 850kms long (GOS – Somaliland in Figures, 2011). Due to lack of census statistics in Somaliland, there is no accurate figure of exact population size. Nevertheless, the population is estimated to be in range of three to four million inhabitants.

Livestock production and export has been and remains the backbone of Somaliland economy. The contribution of livestock to the national economy is estimated to be 60-65%. About 60% of Somaliland's people rely mainly on the products and by-products of their livestock for daily sustenance. Crop husbandry provides subsistence for about 20% of the country's population. In addition, fishing industry, even though harvesting is quite low, contributes to the economy of the country (GOS – Somaliland in Figures, 2011).

Other activities that contribute to Somaliland's economy include transport and communication, trade and commerce and the service sector. Foreign aid and remittances from the Somaliland diaspora also play a major role in the economy of the country.

Non-Governmental Organizations (NGOs) also known as nonprofit organizations, voluntary organizations, or civil society organizations provide services in fulfilling different thematic goals and objectives. Abdilahi (1997) defined NGOs as private non-profit organizations that are publicly registered, whose principal function is to implement development projects favouring the popular sector, and which receive financial support. An NGO could be a community-based organization, city-wide organization, national organization, or international organization.

International NGOs (INGOs), similar to international Multinational Corporations, operate in more than one country. INGOs that operate in Somaliland have most probably programs in other countries including Kenya, which is the Regional hub for East and Horn of Africa. Thus, INGOs have been operational in Somaliland since 1991 as a result of giving support to war affected communities in both rural and urban areas. They range from small centralized organizations to highly diversified complex organizations. Mostly, they operate in different thematic areas such as health, education, water and sanitation, food security, drought emergencies, environmental protection, policy advocacy, and capacity building. Mainly they receive funding from donor agencies including European Commission (EC), UK Department for International Development (DFID), United States Agency for International Development (USAID), religious institutions, private donors, and Multinational Corporations (MNC) among others.

Therefore, INGOs are open systems which interact with the environment in which they operate. That means their success depends on their ability to align with the environment and secure resources from the environment, which is uncertain and turbulent. Strategic alliance and consortiums, which are intended to help INGOs compete for the scarce resources collectively, are becoming common in the INGO sector in Somaliland so as to respond and compete on scarce resources collectively.

1.2 Research Problem

Strategy implementation deals with translating formulated strategies into action. Good strategy formulation is not enough for organization to succeed in the turbulent organizational environment but while the organizations have good strategies, successful execution remains a major challenge. Such challenges fold into two components which are organizational impeters and environmental obstacles. Organizational impeters relate to leadership, systems, policies, resource and capabilities while environment problems deal with issues relating to social, economic, political, donor, and legal issues.

International NGOs in Somaliland have significant impact in the social and economic development of the country. Their interventions fill the humanitarian and development gaps that exist as a result of the limited capacity of the government. The context in which INGOs operate in Somaliland has become more dynamic than before and INGOs must position themselves in a competitive position for the scarce resources available and continuously align themselves with the environment.

Strategic implementation has been widely researched in mainly profit making firms in Kenya (Aosa, 1992; Awino, 2000; Ochanda, 2005; Boore, 2005; Karuri, 2006; Njoki, 2009; Obosi, 2010; Kweri, 2011). While, most of the researches are focusing on challenges of strategy implementation on profit making entities (Ochanda, 2005; Machuki, 2005; Wambugu, 2006; Anyango, 2007; Adongo, 2008; Kweri, 2011), few have looked at the challenges and other factors affecting strategy implementation of nonprofit organizations (Michael, 2004; Muthuiya, 2004; Adongo, 2008; Wakiuru, 2011)

Strategic management is context sensitive in terms of the profit orientation and geographic location. Hence, there is significant gap in researching on Strategy management field in Somaliland context. So far only Kamau (2009), in the University of Nairobi MBA list, did research on analysis of factors affecting provision of quality health services by the government to the population in Somaliland. Therefore, the research filled the gap by giving emphasis on strategy implementation of International NGOs in Somaliland context. The study answered the research question: What are the challenges of strategy implementation faced by international NGOs in Somaliland?

1.3 Research Objective(s)

The research objective of the study is:

To identify strategy implementation challenges faced by International NGOs in Somaliland.

1.4 Value of the Study

The study findings will be beneficial to various stakeholders including INGO leaders, policy formers and donor agencies, academicians and researchers. The study will provide crucial information regarding the challenges of strategy implementation to decision makers in the INGO sector in Somaliland. Also, the study will unveil major problems that hinder smooth strategy implementation of INGOs operating in Somaliland. This will help management of INGOs to learn the factors that impede or support strategy implementation in Somaliland context. Identification of major strategy impellers in the INGO context will help better align organizational resources and capabilities with the environment in order to ensure success in strategy implementation.

Policy makers will also benefit from the study since they can use the problems that will be identified to devise necessary policy guidelines to address the strategic implementation problems. This will allow policy makers to improve aid effectiveness by urging aid implementing INGOs to address strategic implementation impellers so as to achieve target deliverables. Donor agencies will also benefit in evaluating the extent of success of strategic priority programs and projects and getting information regarding to potential strategy implementation obstacles.

Finally, regarding academicians and researchers, the study will bridge strategic management knowledge gap and also it will provide recommendation for further research in the field of INGOs management in Somaliland context. In addition, the study will be reference material for future MBA students interested in this context and area of research. Lastly, regarding to theory, the research will be anchored to Strategic fit theory which advocates aligning the organization with its environment. It entails identifying opportunities in the environment, adjusting resources and competencies in order to take advantage of the opportunity.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers the literature of other researches in strategic management with specific focus on strategy implementation challenges. The specific topics covered in this chapter include theoretical foundation of strategy, strategy development process, strategy implementation process and frameworks, challenges of strategy implementation and also link between strategy formulation, implementation and evaluation.

2.2 Theoretical Foundation

Strategy management theories enlighten the ground rules and philosophical basis of strategy formulation and implementation. According to Johnson et al. (2008), the resource-based view, strategy is about exploiting the strategic capability of an organization, in terms of its resources and competences, to provide competitive advantage. Therefore, we can explain to advance the idea that strategy of a firm is a function of the complement of the resources held. Systematic planning view entails that organizations predetermine the strategic direction of the organization. That means management plays tremendous role by predetermining the strategic direction.

Institutional theory proposes that organizations can adapt to varying environmental conditions by imitating other successful organizations. The organization is adapting to changing environment by copying the strategies and management techniques of other successful organizations (Wheelen and Hunger, 2008). In addition, the theory of Strategic choice perspective proposes that not only do organizations adapt to a dynamic environment but they also have the capacity to influence and shape their environment (Wheelen and Hunger, 2008). In that regard, management decisions have impact in not only the performance of the firm but also the industry overall factors.

The theory of strategic fit involves aligning organizational strategy to an environment. Grant (2010) argued that for a strategy to be successful, it must be consistent with the firm's goals and values, with its external environment, with its resources and capabilities, and with its organization and systems. Therefore, this study anchors to the theory of strategic fit between external and internal organizational environment.

2.3 Strategy Development Process

Most of the definitions point strategy management as a process of analysis, decision, and actions an organization takes in order to create and sustain competitive advantage (Kisaka, 2010). The strategic management involves analysis of strategic goals including vision, mission, and strategic objective together with analysis of internal and external environment. Pearce and Robinson (2011) defined strategy management as the set of decisions and actions resulting in the formulation and implementation of strategies designed to achieve the objectives of the organization. Moreover, David (2011) defined strategy management as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives. According to Johnson et al. (2008) strategy management deals with strategic positioning of the organization, strategic choice and decisions, and strategy in action for proper execution. Lastly, Hitt, Ireland, and Hoskisson (2011) define strategic management process as full set of commitments, decisions, and actions required for a firm to achieve strategic competitiveness.

Pearce and Robinson (1991) argue nine critical areas of strategic management process. These areas include formulating company's mission, develop company profile, assessment of external environment, strategic analysis and choice, select long-term objectives and grand strategies, develop annual objectives and short-term strategies, implement strategic choices, control and evaluate. Also, Thompson et al. (2008) noted five phases of managerial process of formulating and implementing strategy which are developing a strategic vision, setting objectives, crafting a strategy to achieve the objectives, implementing the chosen strategy efficiently and effectively, evaluating performance and initiating corrective adjustments.

Strategy formulation and implementation should be tied in order to ensure success in achieving organizational performance targets. However, while good strategies are formulated there is a need for good implementation but in some scenarios good implementation could be coupled with poor strategy formulation which makes the success uncertain. On the other hand, achieving organizational goals are not viable in the scenarios where good strategy formulation is coupled with poor strategy implementation.

2.4 Strategy Implementation Process

Strategy execution is the most demanding and time-consuming part of strategy management process. It involves the management organizational change, build organizational competencies, create strategic-supportive work environment, employee motivation, and meeting performance targets (Thompson et al., 2008).

According to Pearce and Robinson (2002) implementation involves the process of operationalizing, institutionalization, and control of the strategy. Operationalization of strategy involves identification of measurable annual objectives, formulation of specific functional strategies, and development and communication of concise policies to guide decision. Institutionalization deals with posting enabling organizational structure, effective leadership, and creating fit between the strategy and organizational culture. Lastly, control and evaluation process aims at adjusting the organization to changing condition. It deals with establishment of strategic controls, operations controls that monitor deviations, and reward system that motivate control and evaluation. A new strategy must be first institutionalized and then operationalized for effective implementation (Pearce and Robinson, 2005).

In strategy implementation process, there are four basic elements which include identification of general strategic objectives both quantitative and qualitative; formulation of specific plans with clear tasks, deadlines, and responsibilities; resource allocation and budgeting; and monitoring and control procedures (Lynch, 2009). Management issues to strategy implementation include establishing annual objectives, devising policies, allocating resources, altering existing organizational structure, restructuring and re-engineering, revising reward and incentive plans, minimizing resistance to change, matching managers with strategy, developing a strategy supportive culture, adapting production operations process, developing an effective human resource function, linking performance and pay to strategy, and if necessary, downsizing (David, 2011).

The effective development and implementation depends on the strategic capability of the organization. Managing of strategic change is also crucial aspect for effective strategy implementation as strategy implementation deals with changes of directions, systems, and actions.

2.5 Strategy Implementation Frameworks

There is no universally applicable framework for strategy implementation as the field of strategy management is context sensitive. However, there are a number of widely accepted models including McKinsey 7S framework, Balanced Scorecard approach and Okumus framework.

McKinsey 7-S framework is a widely used framework in strategy implementation. It is a useful tool that provides key components that managers must consider in making strategies work. The seven components include structure, strategy, systems, skills, style, staff, and shared values. The 7-S framework helps in managerial analysis of the organization, change management, strategy development and implementation and understanding of linkages and interconnections (Peters & Waterman, 2006). The model is based on the theory that, for an organization to perform well, these seven elements need to be aligned and mutually reinforcing. The model is regularly used as tool for assessing and monitoring changes in internal context of the organization (Mwangi, 2012).

The Balanced Scorecard (BSC) framework measures four perspectives namely financial, customer, internal business process, learning and growth. The balanced scorecard approach in implementing strategies have four main implementation factors: translating vision and strategy into objectives and measures into a balanced set of perspectives, communication and linking, planning and target setting, and strategic feedback and learning. BSC is tool that help to manage, evaluate, and control strategy (David, 2011). However, the BSC alone may not be sufficient to cope with all challenges that might hinder successful strategy implementation.

Okumus framework identifies eleven implementation factors and then grouped into four categories. The key implementation factors identified include: strategy development, environmental uncertainty, organizational structure, organizational culture, leadership, operational planning, resource allocation, communication, people, control, and outcome. The factors were grouped into four categories: strategic content, strategic context, process, and outcome (Okumus, 2003). Consequently, for the strategy implementation to be successful there must be congruence between several elements that are crucial to the process (Aosa, 1992).

2.6 Challenges of Strategy Implementation

Challenges of strategy implementation are organizational and environmental factors that impede the smooth implementation of strategies. A number of researches tried to identify major strategy obstacles. Alexander (1985) in his research of 93 private firms found that the most strategy implementation problems include implementation time taking longer than planned, unanticipated major problems arose, ineffective coordination, competing activities, inadequate training to employees, uncontrollable external environment have unfavorable impact, poor leadership, unclear implementation tasks and activities, and poor information systems.

Al-Ghamdi (1998) has replicated and extended Alexander's study in 1985 on strategy implementation. He found six major implementation problems including implementation took more time than initially planned, major problems were not identified earlier, ineffective coordination, competing activities, unclear implementation tasks and activities, and inadequate information systems to monitor implementation. Furthermore, strategies implementation problems include lack of understanding of strategy, poor linking strategy to goals and objectives, lack of alignment between strategy and organizational compensation system (Aaltonen and Ikavalko, 2002).

Beer and Eisenstat (2000) contributed six silent killers of strategy implementing including top-down or laissez-fair senior management style, conflicting priorities, poor coordination, ineffective senior management team, poor vertical communication, and inadequate leadership skills. Galpine (1998) added what he called the seven deadly sins of strategy deployment. These includes lack of leadership, focusing on only one or two influence systems, inadequate project management, under communicating throughout the process, applying insufficient resources, easing into and through the changes to influence systems, and waiting until strategy is completely developed before starting implementation activities. Hrebiniak (2006) recognized five obstacles to strategy implementation which are inability to manage change, poor or vague strategy, not having guidelines or model to guide implementation efforts, inadequate information sharing, unclear responsibility and accountability, and working against organizational power structure.

Aosa (1992) found a number of strategy implementation problems in Kenya context including Implementation taking more time than planned, uncontrollable environmental challenges, problems not identified in the planning, competing activities, unclear implementation tasks, insufficient resources, ineffective co-ordination of implementation activities. Lastly, Kalali et al. (2011) found implementation challenges in Iran context to be resource limitation, poor communication, conflicting goals and priorities, environmental uncertainty, incompetent human resource, weak management team, unclear roles and responsibilities, unaligned organizational culture, divergent organizational structure, lack of commitment of decision makers, and unclear strategy.

Structure refers to division of tasks and coordination between interdependent parts of an organization (Pearce and Robinson, 2002). Structure outlines the configuration of a company showing the interactions and relationships that exist between the various parts of the company (Aosa, 1992). Structure of an organization involves the division of labor, responsibilities and duties, power and authority, and also linkages and interdependencies. Johnson et al. (2008) suggested five structural types: functional, multidivisional, matrix, transnational, and project-based structures. Meanwhile, Pearce and Robinson (2002) proposed five basic types: simple, functional, divisional, strategic business unit, and matrix structures. Therefore, matching organization strategy with the structure is a management dilemma in which most managers face.

Aaltonen and Ikavalko (2002) found that the contemporary challenges of strategy implementation lies in the communication and cultural aspects of the organization. Organization's cultures are the policies, practices, traditions, philosophical beliefs, and ways of doing things (Thomson and Strickland, 1996). An organization's culture and associated values dictate the way decisions are made, the objectives of the organization, the type of competitive advantage sought, the organizational structure and systems of management, strategies and policies, attitudes towards managing people and information systems. Also, Kalali et al. (2011) found organizational culture conflicting with the strategy being implemented as a major challenge.

Communication defines what new responsibilities, tasks, duties, and strategic decisions are all about. However, there is communication challenge of lack of instituting two-way communication that permit and solicit questions from employees about formulated strategies, and potential problems (Alexander, 1985). Moreover, the challenge of lack of instituting two-way communication both top down and across functions affects the understanding of the strategy, and proper change management (Aaltonen and Ikavalko, 2002; Hrebiniak, 2006).

Leadership is a crucial element in successful strategy implementation. Strategic leadership is the ability to expect, foresee, maintain flexibility, and empower others to create strategic change as necessary (Hitt, Ireland, and Hoskisson, 2011). According to Pearce and Robinson (2002) two leadership issues are of fundamental importance: the role of the chief executive office (CEO) and the assignment of key managers. Al-Ghamdi (1998) agreed with Alexander (1985) that poor leadership and direction at departmental level as an implementation challenge. Galpin (1998) pointed out lack of leadership as deadly sin of strategy implementation.

Strategy implementation deals with changes in structure, systems, culture, & policies in order to operationalize and institutionalize strategies so as to ensure success. Resistance to change, therefore, occurs as a result of misunderstanding, lack of trust, intolerance to change, job security, breaking up of colleagues among others. Johnson et al. (2008) noted that managing strategic change is a major challenge for managers. The major challenge that managers report is the resistance to change in which employees want to hold on to existing ways of doing things. Hrebiniak (2006) found that inability to manage change and reduce resistance to implementation of new strategic decisions and actions was ranked as a major challenge in strategy implementation. Lastly, Raps (2005) recognized resistance to change as a great challenge with strategy implementation.

Resources are the most important assets owned by the organization (David, 2011). Resources are classified into two: tangible assets and intangible assets (Johnson et al., 2008; Hitt et al., 2011). Tangible assets are physical such machinery, people, funds while information, reputation, knowledge are intangible resources. Organizational resources are grouped into four main categories namely physical resources, financial resources, human

resources, and intellectual capital (Johnson et al., 2008). David (2011) has elaborated the challenges relating to resource allocation including overprotection of resources, organizational politics, a reluctance to take risks, and lack of sufficient knowledge. Failure to provide adequate resource may contribute limited success of strategy implementation (Alexander, 1985).

Policies provide ground rules and guidelines in solving problems and implementing strategies. Pearce and Robinson (2011) defined policies as predetermined managerial decisions that guide routine and repetitive actions. Policies are tools for strategy implementation. They illuminate what can and cannot be done in realizing of organization's goals (David, 2011). Mostly corporate policies are well written statements as policy documents and there is a large gap between boardroom aspiration and actual implementation (Coulson-Thomas, 2013).

Human resource challenges that arise during strategy implementation can be traced to one of three causes: disruption of social and political structures, failure to match individuals' talent with implementation tasks, and inadequate top management support (David, 2011). Also, Aaltonen and Ikavalko (2002) found that among the most problematical issues include compensation systems which were hindering proper strategy implementation. Al-Ghamdi (1998) added that inadequate training and instruction given to lower level employees as a challenge to strategy implementation.

External environment provides an organization both the opportunity to survive and the threat to die. Pearce and Robinson (2011) classified external environment into three categories: remote environment, industry environment, and operating environment. They classified remote environment to include the economic, social, political, and ecological factors. Industry environment includes entry barriers, supplier power, buyer power, substitute products, and competitive rivalry and finally, operating environment comprises customers, suppliers, creditors, competitors, and labor. Therefore, for strategy implementation to be successful there must be consistency between firm's goals, values, resources and capabilities and its external environment (Grant, 2010). Uncontrollable factors in the external environment had a negative consequence on strategy implementation (Alexander, 1985; Al-Ghamdi, 1998; Aosa, 1991; Ketali et al., 2011).

2.7 Link between Strategy Development, Implementation, and Evaluation

Strategy management involves strategy formulation, strategy implementation, and strategy evaluation and control (Gant, 2010; Pearce and Robinson, 2011). Nevertheless, such elements are interlinked and feed back to each other (Johnson et al., 2008). Managers need to recognize the relationships so as to avoid developing strategies that can't be implemented (Aosa, 1992). Strategy development deals with the overall processes that give rise to strategies. Mintzerber et al. (2002) proposed Intended and Emergent Strategy concept. Intended strategy is a deliberately formulated and planned direction in which management intends to achieve. Emergent strategy is said to be a specific consistent actions that form an unplanned pattern that was not initially expected in the initial planning phase. In emergent strategy view, strategy making is not distinct and separate from organizational activities but rather part of the day-to-day routing aspects of the organization (Johnson et al., 2008). According Johnson et al. (2008) the process of strategy development depends on the different contexts and timeframes.

Aaltonen and Ikavalko (2002) stressed that strategy implementation deals with both strategies that are planned and strategies that are emergent from actions and decisions of organizational members. They further argue that for strategy implementation to be successful, planned and emergent strategies should be matched. Speculand (2011) noted that leaders must recognize that strategy implementation is as difficult as strategy crafting and they should pay more attention to strategy implementation. Galpin (1998) identified waiting until the strategy is completely developed before starting implementation activities as implementation mistake.

Systematic evaluation and control is crucial aspects in strategy implementation. David (2011) argues that strategy evaluation involves three activities: examining the basis of a company's strategy, comparing planned activities with actual results, and taking corrective action to reverse errors. Pearce and Robinson (1991) agreed by adding that strategic control deals with tracking strategy implementation activities, identifying problems and changes, and making necessary adjustments. Therefore, strategy evaluation and control activities rely on both strategy crafting and also implementation activities.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methods and techniques that were used for collecting essential information necessary for the research in order to achieve the research objective. The chapter includes research design, target population, sample design, data collection and data analysis.

3.2 Research Design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. Also, research design is the conceptual structure within which research is conducted and that it constitutes the collection, measurement, and analysis of data (Kothari, 2004). Therefore, research design sticks together the major parts of the research project and enables to address the intended research questions.

Cross-sectional survey design was used for this research. The reason of applying cross-sectional design is because data was collected at one point in time. A cross-sectional study tries to describe the occurrence of a phenomenon or to explain how factors are related in different organizations (Saunders, Lewis, and Thornhill, 2007).

It was descriptive survey in nature and it attempted to describe the challenges of strategy implementation faced by International NGOs in Somaliland. A descriptive survey, according to Cooper and Schindler (2001), is concerned on finding out who, what, where, when and how of variables. Therefore, this design was appropriate for the study to determine major problems hindering smooth implementation of strategy plans and in the meantime, the design was suitable for data collection, analysis, and reporting within the set academic duration. Lastly, the design was used by other researchers including, Micheal (2004), Tanui (2007), Nungari (2011), Edna (2012) among others.

3.3 Target Population

A population is a well defined set of people, services, elements, events, or group of things that are being investigated (Obiga, 2012). Hence, target population is the specific population in which the researcher wants to draw conclusion (Onyancha, 2012).

The population of this study included all active INGOs implementing emergency and development programs and registered under Ministry of National Planning and Development of Somaliland Government. Currently, there are seventy active INGOs registered under the Ministry of Planning which have functioning program offices and that implement projects in the country.

3.4 Sample Design

A sample design is a plan for getting a sample from a specific population (Kothari, 2004). The sample frame of this study was all registered 70 active INGOs registered with Somaliland Ministry of planning. To obtain a representation from the target population of study, twenty five percent (25%) of the registered 70 INGOs that are operational more than five 5 years were identified purposively. Purposive technique involves picking a sample that conforms to a set criterion (Cooper & Schindler, 2001). In this case, the criterion for selecting the sample was INGO that operated more than 5 years in Somaliland.

According to Mugenda & Mugenda (2003) for descriptive survey, 10% of the accessible population is acceptable as being representative of the total population. Therefore, 25% sample size was within the accepted range. Lastly, the reason of selecting INGOs operational more than 5 years was that because management has at least implemented one strategy plan.

3.5 Data Collection

Primary data was collected through administering structured questionnaire. Mainly the questions were closed ended with few open ended in order to make easier for the respondents to fill in the questionnaires. The aim of primary data was to identify the challenges of strategy implementation faced by INGOs and also the process of strategy development and implementation in Somaliland context.

The questionnaire was divided into four sections. The first section covered the general information and organizational profile. The second part was dealing with strategy development practices while the third part was focusing on strategy implementation efforts. The final section was covering the strategy implementation challenges faced by international NGOs in Somaliland.

One respondent in the management team from each sampled INGO was requested to fill in the questionnaire. The management team included Country Directors or Executive Director or Deputy, the Finance Director, Head of Department, Program Coordinator, Project Manager among other titles. Drop and pick method and emails were used to distribute the questionnaire to top management officers. Feedback was given to any question or query arising from respondents and follow up phone calls and visits were made to INGOs so as to ensure that questionnaires were duly completed accordingly.

3.6 Data Analysis

To achieve the objective of the research, primary data was collected from INGOs operating in Somaliland. The researcher has traveled to Somaliland for the sole purpose of collecting data from target respondents.

The data was analyzed using SPSS version 20 and excel in order to get the required information. The questionnaires were checked for completeness and then data was coded and keyed into the system. Data collected was analyzed using descriptive statistics. This included the use of frequencies tables, percentages, mean scores, and standard deviation.

Pie charts, bar charts and ranking orders were used as appropriate for identifying impellers of strategy implementation. Chepkwony (2001), Amolo (2002), Micheal (2004), and Karuri (2007) have used this kind of analysis in their research studies.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter deals with the analysis and interpretation of the primary data collected from International NGOs in Somaliland. The objective of the study was to determine the challenges of strategy implementation faced by INGOs operating in Somaliland. Respondents were mainly top managers, middle managers, and few supervisory levels. Data collection instrument was questionnaire with both multiple choice and rating scale questions. The data was analyzed using descriptive statistics such as frequency tables, charts, percentages, mean scores, and standard deviation. The response rate was 83% that is to say 15 out of 18 sampled INGOs responded. 3 INGOs have not responded and are not included in this analysis. According to Mugenda and Mugenda (2003) a response of 50% is adequate but a response rate of 60% is better and a response rate of 70% and above is best for analysis and reporting.

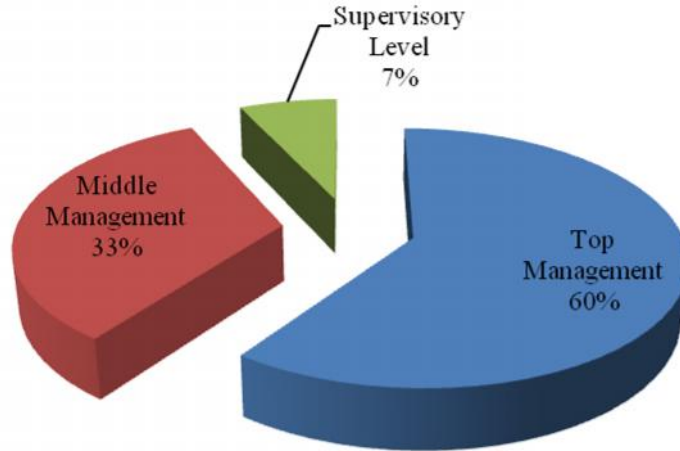
This chapter is divided into four sections. First, establishing profile of sampled INGOs and their experience in the context. Secondly, providing evidence of strategy development practices of the INGOs. Thirdly, establishing the extent of strategy implementation efforts in terms of operationalization and institutionalizing of strategies. Finally, determining strategy implementation challenges faced by INGOs operating in the Somaliland context.

4.2 Profile of Studied INGOs

International NGOs operating in Somaliland for five years and more were identified purposefully. The reason why sampled only those operated five years and more was that they have operated in the context for a while and coped with the context related challenges. Thus, they can identify major strategy implementation challenges faced while operating in Somaliland context.

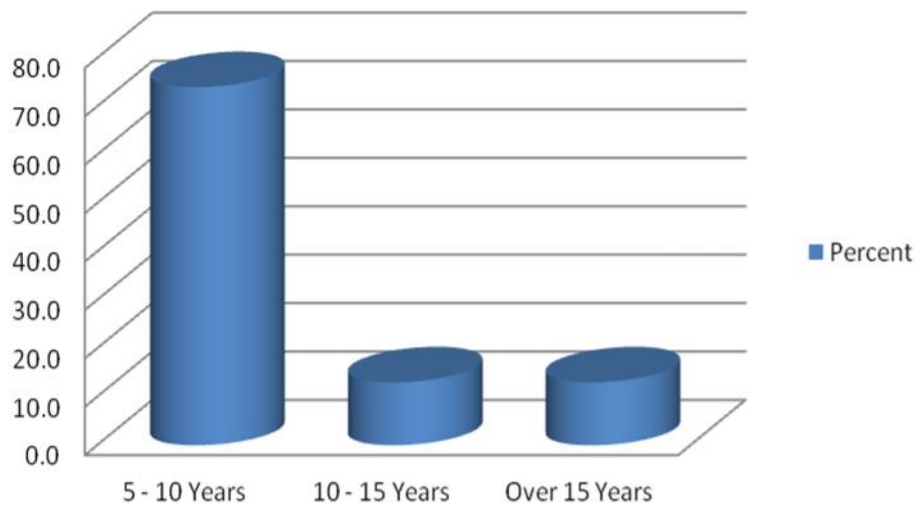
Therefore, in order to establish their profiles a number of questions and their subsequent answers were presented in the analysis. Among the questions included the position of the respondent, years of operation in Somaliland, number of sectors they intervene, number of countries they operate, and number of employees in Somaliland program.

Figure 4.1: Management position of the respondent



60% of the respondents were members of top management while 33% were middle level managers and only 7% supervisory level. Thus, majority of the respondents were having decision making roles both top and middle level managers and were well versed in identifying strategy implementation challenges faced by INGOs.

Figure 4.2: Years of Operation in Somaliland



74% of the sampled INGOs operated in the Somaliland context between 5 to 10 years while 13% operated more than 10 – 15 years and 13% more than 15 years. Thus, 100% of the respondents operated more than 5 years which implies that the sampled INGOs have ample experience in the context.

Table 4.1: Number of sectors INGOs operate

| Sectors | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------|-----------|---------|---------------|--------------------|
| One Sector | 1 | 7 | 7 | 7 |
| Two Sectors | 4 | 27 | 27 | 34 |
| Three Sectors | 5 | 33 | 33 | 67 |
| Four Sectors | 2 | 13 | 13 | 80 |
| Five Sectors | 1 | 7 | 7 | 87 |
| Six Sectors | 2 | 13 | 13 | 100 |
| Total | 15 | 100 | 100 | |

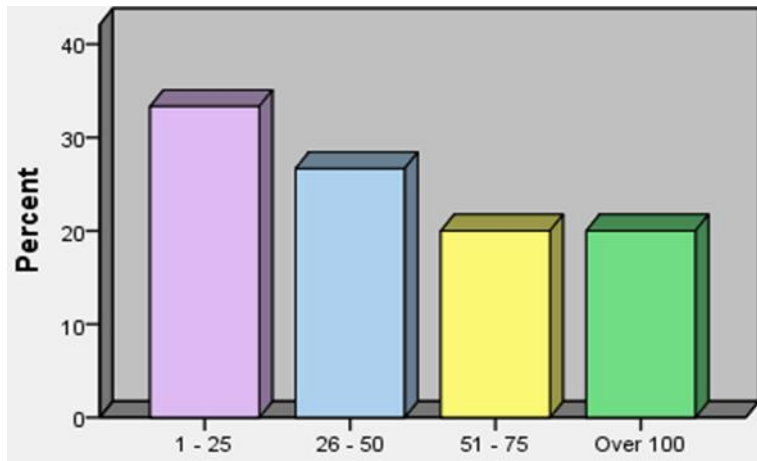
Respondents were asked to mention the sectors they operate. Only, 7% mentioned that they engage in one sector while 27% work in two thematic areas. 33% operate in three sectors and 13% engage in four sectors. Only 7% operate in five sectors while 13% operate in six sectors. Therefore, majority (73%) of the responded INGOs operate between two to four sectors. Most common sectors were Education, Health, Water, Hygiene, and Sanitation (WASH), Shelter, Environment, Human rights, Governance, Emergency response, Food Security, Energy, Disability mainstreaming, and child protection.

Table 4.2: Number of countries INGOs operate

| Countries | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Two | 0 | 0 | 0 | 0 |
| Three | 0 | 0 | 0 | 0 |
| Four | 1 | 7 | 7 | 7 |
| More than four | 13 | 93 | 93 | 100 |
| Total | 15 | 100 | 100 | |

Respondents were asked to state the number of countries they operate. 93% were found to have operations in more than four countries while only 7% operate in four countries. None of the respondents have worked one and three countries. Thus, all of the sampled INGOs operated in more than three countries and fast majority (93%) have operations in more than four countries. Therefore, all sampled INGOs were International in nature as they all operated more than one country.

Figure 4.3: Number of employee in Somaliland program



With respect to the number of employees, 33% of INGOs have 1 -25 employee while 27% have 26 -50 employee and 20% employ 51 -75 staff members and finally, 20% have over 100 employee. However, the size of the organization in this context is not subject to the number of employees as most of the INGOs partner with local NGOs which implement projects at grassroots level.

4.3 Strategy Development Process

This section contains data collected with use of multiple choice questions and rating scales. The aim was to indentify strategy development practices of sampled INGOs. Data was analyzed below with the use of frequency tables, percentages and mean sores.

The respondents were asked whether they have vision and mission statements. 93% of the respondents declared that they have vision statement while 7% did not have vision statement. All the INGOs (100%) mentioned they have mission statement. In addition, when asked whether they had strategy plans, all INGOs declared that they had strategy plans. It is crucial to identify that all INGOs responded have mission statement and strategy plans and fast majority have vision statement.

When asked the number of years their strategy plan covers, 93% revealed that their plans cover between 1- 5 years while only 7% mentioned to have 6-10 years strategy plan. None of the respondents have strategy plans that cover more than 10 years. Majority of the respondents mentioned that their strategy plans cover 1-5 years which is identified as the most common strategy plan duration in the Somaliland context.

Table 4.3: Strategy formulators

| Strategies were formulated by | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|-----------|---------|---------------|--------------------|
| Program Director/CEO | 0 | 0 | 0 | 0 |
| Top management | 5 | 33 | 33 | 33 |
| All employees participate | 6 | 40 | 40 | 73 |
| Consultants | 0 | 0 | 0 | 73 |
| Combination of more than one in the above | 4 | 27 | 27 | 100 |
| Total | 15 | 100 | 100 | |

From the above table, it is interesting that majority (40%) of the INGOs revealed that all employees participated in strategy formulation process. 33% of the respondents indicated that strategies are formulated by top management while 27% mentioned that their strategies are formulated by at least two categories of strategy formulators. Observing above results, majority of the INGOs promote participation of strategy formulation by all employees which in turn might increase sense of ownership by the employees in implementing formulated strategies. However, also top management played tremendous role in formulating strategies as substantial number of the respondents agreed. In addition, consultants mainly acted as facilitators and were combined with both top management and all employees in formulating strategies

Table 4.4: Strategy plans were developed in line with

| Strategies were developed in line with | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|-----------|---------|---------------|--------------------|
| Head Office/Corporate Strategy | 6 | 40 | 40 | 40 |
| National Development Plan (NDP) | 1 | 7 | 7 | 47 |
| Donor guidelines | 0 | 0 | 0 | 47 |
| Combination of more than one in the above | 8 | 53 | 53 | 100.0 |
| Total | 15 | 100 | 100 | |

From the above table, 40% of the INGOs derive their country strategy plans from their Head office strategies. Only 7% draw their strategies from National Development Plan while fast majority (53%) derive their strategies from two or more categories above in which corporate strategy is mostly included. Thus, it is apparent that INGOs are guided by the strategy direction at Head Office level while adjusting context specific needs.

Donor guidelines were combined with Corporate Strategy or National Development Plan. Thus, INGOs were working closely with their Head office strategic direction while adjusting with context factors in the National Development Plan and donor directives.

Table 4.5: Planning process

| Planning Process | N | Mean | Std. Deviation |
|--|----|------|----------------|
| Formal planning meetings | 15 | 4.40 | 0.632 |
| Time tables for planning activities | 15 | 4.27 | 0.594 |
| Clearly assigned responsibilities for planning | 15 | 4.20 | 0.775 |
| Informal planning interactions | 15 | 2.27 | 0.799 |

From the results above, respondents were asked to use of 5 point likert scale to rate the planning processes used by the INGOs. 1 represented no effect at all while 5 represented most frequently used. The NGOs studies applied formal planning meeting to a great extent with a mean score of 4.40. That can be attributed to their strategies being derived from corporate strategy plans. Planning activities have clearly defined time table which follow the formal planning meetings identified as high priority in the planning process. This had a mean score of 4.27. Meanwhile, clearly assigned responsibilities were used to a great extent with the mean score of 4.2. The least undertaken task in the planning process was informal planning meetings with mean score of 2.27. Thus, we can infer that INGOs use formal planning with great extent while informal planning meeting was used to the least extent.

4.4 Strategy Implementation Process

This section contains questions relating to both operationalization and institutionalization of strategies. The data was analyzed using frequency tables, percentages and also mean scores. The higher the mean score, the more effective the process had been used in strategy implementation and vice versa (Micheal, 2004). Results of the questions were analyzed as shown below.

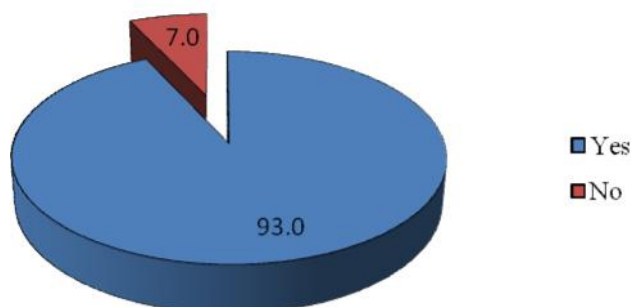
When asked whether the INGOs have annual objectives, all (100%) INGOs stated that they have annual objectives. That entails NGOs do annual planning for their activities. Below table summarizes where the annual objectives are derived from.

Table 4.6: Annual objective setting

| Annual objectives formulated by | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|-----------|---------|---------------|--------------------|
| Board of Directors/Head Office | 4 | 27 | 27 | 27 |
| Top management | 3 | 20 | 20 | 47 |
| Head of Departments | 0 | 0 | 0 | 47 |
| Donor guidelines | 0 | 0 | 0 | 47 |
| Employee participation | 3 | 20 | 20 | 67 |
| Combination of more than one in the above | 5 | 33 | 33 | 100 |
| Total | 15 | 100 | 100 | |

The table shows that Head Office/Board of Directors play major role in setting annual objectives for NGOs. 27% of the INGOs have their annual objectives set by BoD/HO. In addition, majority of the INGOs (33%) set their annual objectives by combining more than one of the options in the above table. Following are the top management (20%) and employee participation (20%) in formulating annual objectives. None of the INGOs use development partners' policies and also Heads of Department alone when formulating annual objectives. Thus, the result shows that majority of the NGOs use combination of more than one category followed by Head Office/Board of Directors directives. Both top management and employee participation have the same magnitude and thus are considered to be used by 20% of INGOs respectively.

Figure 4.4: Functional strategies



When asked whether each department has functional strategy, 93% of the INGOs mentioned that they have functional strategy in each department while 7% indicated that they don't have functional strategies. Below table summarizes where the functional strategies are derived from.

Table 4.7: Origin of functional strategies

| Functional strategies are derived from | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|-----------|---------|---------------|--------------------|
| Strategy plan | 9 | 60 | 60 | 60 |
| Stakeholders' feedback | 0 | 0 | 0 | 60 |
| Management Meetings | 0 | 0 | 0 | 60 |
| Donor directives | 0 | 0 | 0 | 60 |
| Combination of more than one in the above | 5 | 33 | 33 | 93 |
| Not responded | 1 | 7 | 7 | 100 |
| Total | 15 | 100 | 100 | |

The table above shows that 60% of respondents mentioned that functional strategies are derived from company strategy plans. Followed by 33% of the NGOs derived their functional strategies from combination of more than one category. Thus, majority of the NGOs based their functional strategies on strategy plan or in combination with either stakeholder feedback or management meetings among others. Thus, the result entails that strategy plans are operationalized by deriving functional strategies for each department or project.

Table 4.8: Change in organizational policies

| Change in policies | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------|-----------|---------|---------------|--------------------|
| Always | 1 | 7 | 7 | 7 |
| Very often | 4 | 27 | 27 | 34 |
| Occasionally | 4 | 26 | 26 | 60 |
| Rarely | 6 | 40 | 40 | 100 |
| Total | 15 | 100 | 100 | |

When asked whether they change organizational policies when new strategies are formulated, 7% of the respondents agreed that they always change while 27% mentioned very often and 26% occasionally. However, 40% of the NGOs stated that they rarely

change their policies which means that current policies support their strategies. It is worth to mention that majority (60%) of INGOs change their policies when new strategies are formulated. However, substantial number of INGOs (40%) rarely changed their policies when implementing new strategies which in turn imply limited innovation in exploring new thematic areas.

Table 4.9: Organizational factors contributed to strategy implementation

| Organizational factors | N | Mean | Std. Deviation |
|--|----|------|----------------|
| Management skills | 15 | 3.87 | 1.125 |
| Leadership of the Executive Director/CEO | 15 | 3.80 | 0.941 |
| Employee Development and reward System | 15 | 3.33 | 0.976 |
| Changing organizational culture | 15 | 3.33 | 1.113 |
| Change of organizational structure | 15 | 3.13 | 1.407 |

With the use of 5 point likert scale, respondents were asked to rate organizational factors that have contributed to the success of strategy implementation. INGOs rated management skills being the highest success factor with the mean 3.87 followed by leadership of the executive director, employee development and reward system, and changing organizational culture. Changing organizational structure has the least contribution to successful strategy implementation with the mean of 3.13. INGOs have acknowledged that Managerial skills and leadership of the CEO are the most important factors that contributed the success of strategy implementation.

Table 4.10: Linking strategic plans when proposal development

| Linking strategy with planning | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------------------|-----------|---------|---------------|--------------------|
| Always | 5 | 33 | 33 | 33 |
| Very often | 6 | 40 | 40 | 73 |
| Occasionally | 4 | 27 | 27 | 100 |
| Rarely | 0 | 0 | 0 | 100 |
| Not at all | 0 | 0 | 0 | 100 |
| Total | 15 | 100 | 100 | |

When asked whether INGOs refer to the strategy plan when developing project proposals, 33% stated that they always refer while 40% mentioned that they refer very often and 27% mentioned occasionally. The general picture is that all INGOs sampled refer the strategy plan when developing project proposals in which all of the respondents agreed that they refer strategy plans at least occasionally. Thus, linking project proposals submitted to donors and the strategy plan entails high level of operationalizing of the strategy plans and thus, keeping the strategy document actively used.

4.5 Strategy Implementation Challenges

This section intends to identify major strategy implementation challenges faced by INGOs operating in Somaliland. The questionnaire lists twenty eight implementation problems that INGOs might face. With the use of five point likert scale rating, respondents were asked to rank problems as they always face, frequently face, occasionally or seldom face, and never face. In addition, respondents were given room to respond any other problem not mentioned in the list. Problems that always and frequently happened were categorized as major problems while problems that are occasionally seen were grouped as moderate and problems that sometimes (seldom) occur were categorized as minor problems. In other words, problems having mean score of more than 3.0 were major problems while those having mean score between 2.50 – 2.99 were moderate problems, and obstacles with mean score of 2.00 – 2.49 were minor problems. Problems having mean score of less than 2.0 were grouped as the least implementation challenges. The data was analyzed using frequency tables, percentages and also mean scores. The higher the mean score interprets the more seriousness of the problem in strategy implementation and vice versa.

4.5.1 Major Strategy Implementation Challenges

With the use of mean score and standard deviation, responses with mean score of more than 3.0 were grouped as major problems. INGOs that responded the questionnaire identified following problems which falls under the category of major problems and frequently occurred to INGOs.

Table 4.11: Major implementation challenges

| Strategy Implementation problems | N | Mean | Std. Deviation |
|---|----|------|----------------|
| Co-ordination was not sufficiently effective | 15 | 3.87 | 1.125 |
| People are not measured or rewarded for executing the plan | 15 | 3.60 | 1.242 |
| Insufficient financial resources to execute the strategy | 15 | 3.53 | 1.187 |
| Major problems surfaced which had not been identified earlier | 15 | 3.47 | 1.060 |
| Changes in security levels impact implementation | 15 | 3.40 | 0.986 |
| Took more time than originally allocated | 15 | 3.40 | 1.352 |
| Lack of stakeholder commitment | 15 | 3.27 | 1.100 |
| Key formulators of the strategic decision did not play an active role in implementation | 15 | 3.13 | 1.356 |

Respondents were asked to rate the extent of which coordination was regarded as not sufficiently effective. 67% of the respondents found poor coordination as major or substantial implementation problem. However, only 7% did not find it as problem while 26% found it as moderate problem. Having the highest mean score of 3.87, it is ranked as the most serious problem identified in this study. Coordination of activities between different functional areas, and project teams were not effective which highlights poor collaboration and management not giving priority to harmonize implementation activities. Decision making delays from regional and head offices also contributed to the problem of poor coordination.

When asked whether people are measured or rewarded based on executing the plan, 60% of INGOs stated that people are not measured or rewarded for executing the plan and thus, rated it as major implementation issue. 20% rated it as moderate problem, 13% as minor obstacle while 7% rated it as not a problem. Having a mean of 3.6, the problem is rated as the second highest identified problem. The problem can be traced to lack of matching between performance management and rewards system with strategy implementation. Short duration projects focus more on project deliverables than linking strategy with reward system. Even though most organizations mentioned that they refer strategy plans when developing projects but in the actual implementation they do not match employee compensation with strategy implementation targets.

Due to the Non-profit nature of NGOs, raising financial resources in order to achieve strategic objectives is an issue. 60% of the respondents identified insufficient financial resources as a major problem while 20% stated as a moderate problem. It has a mean of 3.53 and ranked as the third most frequent problem in the study. Implementation of strategy plans needs financial resources in order to achieve target goals. However, the obstacle can be attributed to increasing competition over resource by the INGOs due to scarcity of available funds.

When asked whether major problems surfaced which had not been identified earlier as an issue, 53% of the respondents agreed that major problems surfaced which had not been identified earlier as substantial implementation challenge while 33% supported as moderate problem, 7% as minor and 7% as not a problem. It has a mean of 3.47 and thus making it major or substantial problem identified in the study. The problems can be either environmental factors such legal, political, or donor related issues or internal problems such as poor leadership or unqualified management team.

INGOs were asked whether changes in security levels impact implementation. 54% of the INGOs identified it as a major strategy implementation impeder while 33% view as moderate obstacle. It has a mean of 3.40 and ranked as major strategy implementation obstacle. This can be attributed to the high security turbulence in South Somalia, the conflict between Somaliland and Puntland on Sool and Sanaag regions, and the limited capacity of the government. UN security levels also measure the security of the region and advise accordingly to INGOs on the level of precaution recommended which in turn impact implementation of strategic plans.

Also, when asked whether implementation took more than originally allocated, 60% of the respondents agreed that it took more time than originally planned and qualified it as a major problem while 27% regard as moderate or minor problem. With a mean of 3.40, it was ranked as major or substantial problem in the study findings. The problem can be related to initial poor planning by the formulators of the strategy. In addition, raising financial resources to implement the strategy is also time consuming and can cause implementation to take more time than originally planned. Also, changes in security levels impact the implementation which can cause certain activities to be delayed.

Respondents were asked whether stakeholder commitment is an issue, 53% stated it as a major issue while 20% identified as moderate problem. It has a mean of 3.27 and also ranked as major problem. Stakeholder commitment plays a tremendous role in project management and implementation of program strategies. Poor stakeholder commitment can be poor collaboration from community elders, unsupportive local authorities, beneficiaries not contributing locally available materials and manpower among others.

When asked the role of key formulators play in the implementation, 53% indicated that key formulators of strategies did not play active role in the implementation as a major issue while 7% as a moderate problem, 27% as a minor problem and 13% as not a problem. It has a mean 3.13 and it was ranked as major problem identified. The problem could be caused by change in management team, change in positions of key staff, and change in leadership among others.

4.5.2 Moderate Strategy Implementation Challenges

Based on the mean score, problems that were ranked to have occurred occasionally were grouped to be moderate problems that affected the implementation of strategy plans. Such problems were in the range of mean scores between 2.50 to 2.99.

Table 4.12: Moderate implementation Problems

| Strategy Implementation problems | N | Mean | Std. Deviation |
|--|----|------|----------------|
| Lack of feedback on progress | 15 | 2.93 | 0.884 |
| Poor inter-departmental (horizontal) communication | 15 | 2.87 | 0.834 |
| Uncontrollable factors in the external environment had an adverse impact on Implementation | 15 | 2.80 | 1.146 |
| Advocates and supporters of the strategic decision left the organization during implementation | 15 | 2.73 | 1.100 |
| Overall goals were not sufficiently well understood by employees | 15 | 2.67 | 1.047 |
| Lack of instituting two-way communication between top management and staff | 15 | 2.60 | 1.183 |
| Problems requiring top management involvement were not communicated early enough | 15 | 2.53 | 0.834 |

INGOs studied were asked whether feedback on the progress of implementing strategies was an implementation challenge, 47% responded lack of feedback on progress as moderate problem while 20% stated as substantial problem and 33% as minor problem. The mean score is 2.93 qualifying it as a moderate problem. That means feedback on the progress of strategy program implementation was not effective. Poor monitoring of strategy implementation activities can be attributed to the weakness of lack of feedback on progress.

The respondents were asked to rate whether poor inter-departmental communication is an implementation issue. 53% of the INGOs revealed that poor inter-departmental communication as moderate strategy implementation challenge while 33% classified as minor problem and 14% as substantial problem. It has a mean score of 2.87 and it was ranked as a moderate problem in the study findings. The problem can be attributed to internal competition among departmental managers, unclear roles in strategy implementation activities, and struggle over power. Thus, in effect, poor inter-departmental communication hinders smooth strategy implementation and cooperation between different functions and project teams.

Uncontrollable factors in the external environment had an adverse impact on implementation was ranked as a moderate problem. This is because 47% of the respondents ranked as moderate problem, while 33% as minor problem, 14% as major problem and 6% as not a problem. Uncontrollable environmental factors include political, economic, social, technological and environmental, and legal factors that are beyond the control of the management and yet affecting the implementation.

When asked to rate the problem when advocates and supporters of the strategic decision left the organization during implementation, 40% of the respondents ranked as moderate problem while 27% as major problem, 13% as minor obstacle and 20% ranked as not a problem. The mean score was 2.73 and the problem was ranked to be moderate in the analysis. However, it is important to retain staff members involved during the formulation as they can take active role in successfully implementing strategies. The reason why it is a problem can be explained that most of the INGOs staff members are employed based on project duration while projects have short to medium time duration of

between 1 – 5 years. Thus, end of the project means end of employment unless otherwise other related projects are down the line. Therefore, advocates and supporters can leave the organization on the basis of ending contract or turnover caused by fixed term contracts.

Also, the respondents were asked to rate that overall goals were not sufficiently well understood by employees, 47% of the responded INGOs agreed it to be a moderate problem, while 20% as major problem, 13% as a minor obstacle, and 20% as not a problem. It has a mean score of 2.67 and it was ranked as a moderate problem. This calls for the management to increase the involvement of staff when setting overall goals. In addition, middle managers and supervisors need to inform employees any change in the overall goals and strategies.

When asked to use a 5 point scale to rate the extent in which lack of instituting two-way communication between top management and staff is an implementation problem, 33% of the respondents categorized as a moderate problem, 20% as a major problem, 27% as a minor problem, and 20% as not a problem. The mean score is 2.60 and it is ranked as moderate problem. Top-down communication does not allow employee to comment or question strategies and in some cases, it creates misunderstanding of the strategic direction.

Regarding the problems requiring top management involvement were not communicated early enough as implementation problem, 53% of the respondents agreed it as moderate problem, only 7% as major problem, 27% as minor problem and also 13% as not a problem. It has a mean of 2.53 and ranked as moderate problem. Thus, there is a need to have close collaboration between top management, middle management and supervisory levels.

4.5.3 Minor Strategy Implementation Challenges

With the use of a 5 point Likert scale, problems that have occurred “seldom” were grouped to be minor strategy implementation challenges. The rank is based on mean scores and the percentages.

Table 4.13: Minor Implementation challenges

| Strategy Implementation problems | N | Mean | Std. Deviation |
|--|----|------|----------------|
| Training and instruction given to lower level employees were inadequate | 15 | 2.40 | 1.056 |
| Development partners interference and regulations | 15 | 2.33 | 1.047 |
| Lack of feelings of "ownership" of a strategy or execution plans among key employees | 15 | 2.33 | 1.447 |
| Competing activities distracted attention from implementing this decision | 15 | 2.27 | 0.884 |
| Government interference and regulations | 15 | 2.13 | 0.743 |
| Leadership and direction provided by departmental managers were inadequate | 15 | 2.07 | 1.033 |
| Deviation from original plan objectives | 15 | 2.00 | 0.926 |

When respondents were asked to rate whether training and instruction given to lower level employees were inadequate, 53% of the INGOs responded it as minor problem while 20% as moderate problem, 14% as major problem and 13% as not a problem. It has mean score of 2.40 and it was ranked as minor problem which implies it does not affect much on strategy implementation.

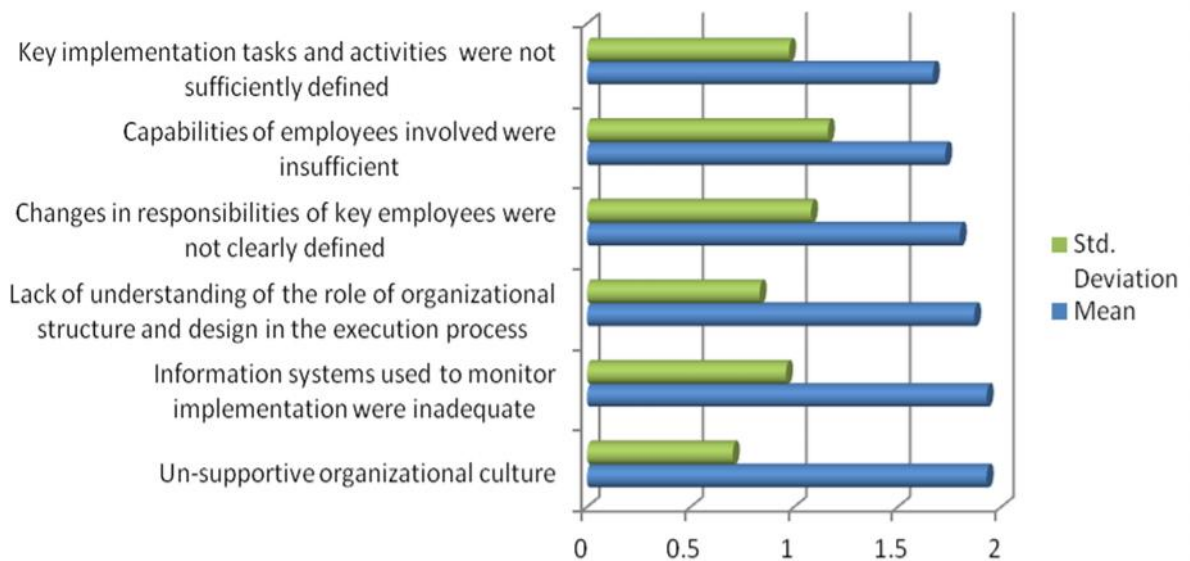
Meanwhile, when asked whether development partners' interference and regulations challenge strategy implementation, 47% of the INGOs ranked it as a minor problem, while 13% as moderate challenge, 20% as major challenge and 20% rated as not a problem. It has a mean score of 2.33 and was ranked as minor problem. Also, when asked whether lack of feelings of "ownership" of a strategy or execution plans among key employees is a challenge, 33% of the respondents categorized as a minor problem, 13% as moderate problem, 14% as a major problem, and 33% as not a problem and 7% not responded. It has a mean rate of 2.33 and ranked as minor implementation problem.

With regard to whether competing activities distracted attention from implementation strategic decision, 60% of the respondent stated it as a minor problem while 13% as a moderate problem, 13% as a major problem, and 14% as not a problem. It has a mean score of 2.27 and it was ranked as a minor implementation challenge.

With respect to the challenge relating to government interference and regulations, 67% of the INGOs responded as a minor challenge while 13% of the respondents as a moderate challenge, 7% as major challenge and 13% as not a challenge. The mean score is 2.13 and it was ranked a minor problem. That means government has created suitable environment for INGOs to operate in Somaliland.

When asked whether leadership and direction provided by departmental managers were inadequate, 53% of the INGOs responded as minor challenge, 13% as moderate challenge 7% as major problem, and 27% as not a problem. It as a mean score of 2.07 and was rated as minor problem. That means leadership and direction provided by the departmental managers were adequate enough to execute strategic decisions. Lastly, when asked in case deviation from original plan objectives is an issue, 40% of the respondents stated as a minor problem, 20% as moderate problem, 6% as major problem, and 34% as not a problem. It has a mean score of 2.0 and was ranked as a moderate problem. Thus, it entails that mostly plans are executed in line with original objectives.

Figure 4.5: Least strategy implementation challenges



Above figure summarized the least strategy implementation problems identified in the study. It gives indication that the above problems do not have effect on strategy implementation among the studied INGOs operating in Somaliland. Included are

unsupportive organizational culture with mean score of 1.93, information systems used to monitor implementation were inadequate with mean score 1.93, and lack of understanding of the role of organizational structure and design in the execution process with mean score of 1.87. These are followed by changes in responsibilities of key employees were not clearly defined which has a mean of 1.80, capabilities of employees involved were insufficient with mean score of 1.73, and finally, key implementation tasks and activities were not sufficiently defined with mean score of 1.67. All these problems were ranked to be less serious problems in strategy implementation.

4.5.4 Strategy Implementation Review and Evaluation

In order to assess the extent of INGOs follow up and review smooth implementation of their strategic plans, they were asked to state how often they review their strategy plans. Below table summarizes their responses.

Table 4.14: Review of strategy plans

| Review of strategy plans | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------------|-----------|---------|---------------|--------------------|
| Quarterly | 1 | 7 | 7 | 7 |
| Semi-annually | 4 | 26 | 26 | 33 |
| Annually | 7 | 47 | 47 | 80 |
| Bi-annually | 2 | 13 | 13 | 93 |
| Others | 1 | 7 | 7 | 100 |
| Total | 15 | 100 | 100 | |

It is important that all INGOs review their strategy plans. 47% review their strategy plans annually while 26% review once every six months. 13% reviews every two years, 7% review quarterly and 7% review other intervals. However, it is worth to mention that reviewing strategy plans means checking the plan with the actual strategy implementation and thus correcting any deviation from the plan. Therefore, it is important to note INGOs have reviewed their strategy plans mostly on yearly basis and that is why deviation from the original plan is not an implementation challenge.

Table 4.15: Implementation success

| Evaluating extent of implementation success | N | Mean | Std. Deviation |
|---|----|------|----------------|
| Was carried out within the resources initially budgeted | 15 | 4.13 | 0.743 |
| Achieved the intended outcome | 15 | 3.67 | 0.617 |
| Achieved the financial budgets expected | 15 | 3.67 | 0.724 |

In order to evaluate the extent of success of strategy plans, respondents were asked to rate the extent they achieved their intended outcome, financial budgets, and whether they implemented activities within the allocated resources. 73% of the respondents frequently achieved their intended outcome, while 20% of the respondents occasionally achieved their intended outcome and 7% rarely achieved their intended outcome. That means INGOs were strict in reviewing their strategy plans mostly on yearly basis and this has enabled the successful realization of their intended strategic outcome.

Respondents were asked to rate the extent in which they implemented their strategies within the initially budgeted resources, 33% responded that they always carried within the budget while 47% frequently carried out within the budget and 20% occasionally implemented within the allocated budget. It is interesting the fast majority (80%) implemented their strategy plans within the budget.

When asked to rate the extent they achieved the target financial budgets, 7% stated that they always achieved their projected budgets while 60% responded they frequently achieved the intended financial budgets, 26% occasionally achieved expected financial budgets and 7% rarely achieved. Even though, availability of financial resources is a major implementation challenge, majority of the INGOs have frequently achieved their target financial budgets which indicate that they carried out aggressive fund raising and resource mobilization.

4.6 Discussion of the findings

The findings of the study indicated that all INGO studied have mission statement and strategy plans while fast majority had vision statement. The study, also, found that 93% of the INGOs have strategy plans covering between 1-5 years. More than one third of the INGOs develop their strategies through participation of all employees while top management plays an insurmountable role. However, 27% of the organizations use combination of at least two categories of strategy formulators which is a sign of participation of decision making. Majority of the organizations revealed that strategies are formulated in line with corporate strategy while also combining with other category of related aspects including the national development plan, and donor policies. Thus, it is quite apparent that INGOs are directly controlled from their Head Offices and the strategic direction is guided by the company's corporate strategy.

However, according to M'nthangi (2011) identification of organization's vision and mission is the first step of any strategic planning process. It is a managerial process in determining the mission, major objectives, strategies, and policies that govern the acquisition and allocation of resources to achieve organizational aims (Pearce and Robinson, 2005). Kiliko (2000) agreed that the whole issue of value is central to management of the NGO sector and that the key driver is its mission statement. This clarifies why all INGOs have mission while majority have vision statements. However, it is also corporate level requirement that country programs which operate as strategic units should have strategy plans drawn from the corporate strategy. In addition, donors require INGOs to have strategy plans guiding their interventions.

Also, the study found that majority of the INGOs applied formal planning practices to a great extent. They have timetables for planning of activities and also clearly assigned responsibilities for different individuals and functional units. It is interesting that informal planning interactions were rarely used by the studied INGOs. This can be attributed to deriving most of their strategies from corporate level strategy. Pearce and Robinson (2011) refer formality to the degree to which members, responsibilities, power, and discretion in decision making are specified.

Strategy implementation involves the process of operationalizing, institutionalization, and control of the strategy. Operationalization of strategy involves identification of measurable annual objectives, formulation of specific functional strategies, and development and communication of concise policies to guide decision. Institutionalization deals with posting enabling organizational structure, effective leadership, and creating fit between the strategy and organizational culture (Pearce and Robinson, 2002).

The study found that all INGOs have annual objectives. Head office/Board of Directors and top management play remarkable role in setting annual objectives. One fourth of the INGOs empowered all employees to participate in annual objective setting. Also, one third of the INGOs had their annual objective set by combination of more than one category that is to say representations from top management, employees, and donors. Meanwhile, 93% of the INGOs have functional strategies which are mainly derived from the strategy plan. Moreover, one third of the INGOs derived their functional strategy in combination of more than one category namely strategy plan, management meetings, stakeholders' feedback, and donor directives.

Also, 60% of the organizations pointed out that they review their policies when new strategies are formulated. However, a substantial number do rarely change their organizational policies when new strategies are adapted. This implies that large number of the organizations don't bring about new innovative ideas in implementing program strategies.

Furthermore, it was found that INGOs rated managerial skills and leadership of the CEO as the most important factors that contributed to the successful strategy implementations. Employee development and reward system, and change in organizational culture have also contributed to the strategy implementation success. Lastly, INGOs refer to strategy plans when developing project proposals. More than two third of the INGOs frequently use their strategy plans when developing proposals to donors. This can be attributed to Head Office and donor requirements to link strategy plans with the proposed interventions.

The study findings have sorted strategy implementation challenges into three groups; major problems, moderate challenges, and minor obstacles. Eight major problems that were identified in the study include co-ordination was not sufficiently effective, people were not measured or rewarded for executing the plan, insufficient financial resources to execute the strategy, major problems surfaced which had not been identified earlier, changes in security levels impact implementation, implementation took more time than originally allocated, lack of stakeholder commitment, and key formulators of the strategic decision did not play an active role in implementation.

The study found that coordination was not sufficiently effective. It implies poor inter-departmental collaboration, and poor top-down communication in which strategies were not understood by all staff members. In addition, unclear strategic roles between top management, middle management, and supervisory levels affect the coordination of activities. Al-Ghamdi (1998) argued that poor coordination is a strong signal that managers don't care implementation as much as they do the formulation. This finding is in line with other studies including the one conducted by Alexander (1985) and replicated by Al-Ghamdi (1998), Aosa (1992), Beer and Eisenstat (2000), Kalali et al. (2011).

The second major implementation problem was that people were not measured or rewarded for executing the plan. Failure to aligning performance management system with actual strategy implementation was regarded as major implementation challenge faced by INGOs. The study finding is in line with the one conducted by Aaltonen and Ikavalko (2002) which perceived that lack of alignment between strategy and organizational compensation system as being major implementation problem.

Also, another problem was insufficient financial resources to execute the strategy. Due to the Non-Profit nature of NGOs, they develop their strategy plans together with potential sources they expect to get the resources. Therefore, they might not win calls for proposals from donors as a result of competition over available resources by other NGOs. Fund raising targets and pledges from private sources changes with the general economic condition which affect the realization of target financial resources. The same problem was found by Michael (2004), Edna (2012). Aosa (1992) and Kalali et al. (2011) also found insufficient resources as major implementation obstacle.

Meanwhile, another main obstacle was that major problems surfaced which had not been identified earlier during strategy planning. Changes in the environment factors such as political, economic, or donor related problems that were not taken into account when formulating strategies can hinder implementation. Also, poor strategy as a result of dictating strategic priorities from Head Office while not taking into account local context can cause unplanned problems to emerge. Strategy formulators not playing active role in the implementation can also contribute to the problem. The same problem was found by other researchers including Alexander (1985), Aosa (1992), Al-Ghamdi (1998), and Michael (2004).

Another major problem was changes in security levels impact implementation. This problem is context specific. NGO safety program and UN Department of Safety and Security provide regular updates on security levels of the country. The security level is impacted by the security turbulences in South Central Somalia and also border disputes between Somaliland and Puntland in Eastern regions. McGrath et al. (1994) found (as cited in Al-Ghamdi, 1998) that political turbulence may well be the most important issue facing in the implementation process.

Also, implementation took more time than originally allocated was regarded as major implementation problem. Poor planning can be attributed to the delays in implementation. Also, sometimes delays of funds from donors can cause implementation to take more time which sometimes causes to amend contracts to non-cost extension of project duration. In addition, lack of contingency plans to unexpected happenings also causes delays. Finally, changes in security levels impact the implementation which can cause certain activities to be delayed. The same problem was reported by researchers such as Alexander (1985), Aosa (1992), Al-Ghamdi (1998).

The study found that lack of stakeholder commitment as a significant problem. Stakeholders include local communities, local NGOs, district authorities, and line ministries and also, development partners. Problems include overlapping activities and competition among INGOs, elders and community leaders' interest, poor local authorities' collaboration, poor capacity of local NGOs among others. This problem is context related.

In addition, another major problem found was that key formulators of the strategic decision did not play an active role in implementation. Some INGOs change or rotate Executive Director every two years which is short time to implement formulated strategies. In addition, employee turnover due to competition over talent among INGOs and UN agencies also made the problem high ranking. The problem has not been ranked as substantial by other studies and thus, can be attributed to context specific.

The study disclosed seven moderate problems. These problems also affect occasionally the implementation of strategy plans. Among them include lack of feedback on progress, poor inter-departmental (horizontal) communication, uncontrollable factors in the external environment had an adverse impact on implementation, advocates and supporters of the strategic decision left the organization during implementation, overall goals were not sufficiently well understood by employees, lack of instituting two-way communication between top management and staff, and problems requiring top management involvement were not communicated early enough.

Four of the problems relate to communication within the organization; lack of feedback, poor inter-departmental communication, poor top-down communication and problems requiring top management involvement were not communicated early enough. The roots of the problem can be internal competition among departmental managers, unclear roles in strategy implementation activities, struggle over power, lack of shared understanding of the strategy among staff members, and poor monitoring mechanism. Hrebiniak (2006) agreed that communication within the organization both top down and across functions as a major challenge. Also, Aaltonen and Ikavalko (2002) recognized lack of instituting two-way communication as implementation challenge. Other researchers that found communication as a problem include Alexander (1985), Galpin (1998), Beer and Eisenstat (2000), Kalali et al. (2011).

Other internal problems including advocates and supporters of the strategic decision left the organization during implementation, and overall goals were not sufficiently well understood by employees were also moderate problems faced by INGOs in Somaliland. The problem can be attributed to short-term employment contracts, pouching of key employee by other international NGOs and UN agencies, and poor communication to

solicit questions relating to the strategy. The same problems were found by Al-Ghamdi (1998). However, other moderate problem relating to external environment was uncontrollable factors in the external environment had an adverse impact on implementation. Uncontrollable factors include political, economic, technology, regulatory, social, funding availability, security, and competition among INGOs. Other researchers found the same problems including Alexander (1985), Aosa (1992), Al-Ghamdi (1998), and Kalali et al. (2011).

In addition, the study revealed seven minor problems. The problems are considered to not have major effect on strategy implementation. Including are training and instruction given to lower level employees were inadequate, development partners interference and regulations, lack of feelings of "ownership" of a strategy or execution plans among key employees, competing activities distracted attention from implementing this decision, government interference and regulations, leadership and direction provided by departmental managers were inadequate, and deviation from original plan objectives

Meanwhile, the study found six issues considered to have the least effect on strategy implementation. Included are unsupportive organizational culture, information systems used to monitor implementation were inadequate, lack of understanding of the role of organizational structure and design in the execution process, changes in responsibilities of key employees were not clearly defined, capabilities of employees involved were insufficient, and finally, key implementation tasks and activities were not sufficiently defined.

Lastly, the study established that all INGOs review their strategy plans in different intervals. Therefore, majority of the INGOs have reviewed their strategy plans on yearly basis and that is why deviation from the original plan is not an implementation challenge. Also, most of the INGOs frequently achieved their intended outcome and in that regard, they also achieved their financial targets that enabled them to reach the target goals while operating within allocated resources. It implies, due to scarcity of resources, aggressive fund raising initiatives were launched and enabled to achieve set parameters.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENATIONS

5.1 Introduction

This chapter summarizes the results of the analysis in chapter four and draws conclusion in line with the objective of the study. Policy implications, contribution to theory and practice where also discussed. Meanwhile, areas of further studies related to the study were proposed. Recommendations related to strategy implementation challenges identified were also addressed in this chapter. Finally, limitations of the study were revealed.

5.2 Summary

The objective of the study was to determine strategy implementation challenges faced by INGOs in Somaliland. A survey focusing on INGOs in Somaliland was carried out and questionnaires were completed. The sample size of the study was 18 INGOs representing 25% of the population. 15 INGOs responded the questionnaire making 83% response rate. 3 INGOs did not fill the questionnaire and were excluded from the analysis. Findings showed that majority of the respondents were top and middle management levels. Therefore, majority of the respondents were in decision making positions and were able to identify strategy implementation challenges faced by INGOs. In addition, all sampled INGOs operated more than 5 years in Somaliland while more than two third of the respondents have operated for a period between 5 – 10 years.

Also, the study revealed that majority of the INGOs operated in more than 1 sector in which 73% operated between two to four sectors. Most common sectors included Education, Health, Water, Hygiene, and Sanitation (WASH), Shelter, Environment, Human rights, Governance, Emergency response, Food Security, Energy, Disability mainstreaming, and Child protection. Majority of the responded INGOs operated in more than four countries. That supports the criteria of focusing only international NGOs in this study. Lastly, 20% of the INGOs have over 100 employees while more than half of the INGOs have employees between 1-50 staff members. However, most INGOs implement projects through local NGOs and the size of the INGO is not subject to number of staff members.

Findings from the data analysis indicate that all INGOs have mission statements, strategy plans, and annual objectives. Fast majority of the responded INGOs have vision statement and functional strategies. Majority of the INGOs empowered their employees to participate both strategy and objective settings. Top management also played great role in the strategy development. It is worth to mention that INGOs reviewed their organizational policies when implementing new strategies. Formal planning is practiced by majority of the INGOs together with timetables for planning activities and clearly assigned roles. Informal planning interactions were not very common among INGOs in Somaliland. Mostly, strategies were derived from corporate strategy and the country offices acted as business units implementing head office strategies. Strategy implementation challenges encountered by INGOs were categorized in to three parts namely major problems, moderate challenges, and minor challenges.

5.3 Conclusion

The study sought to determine challenges of strategy implementation faced by INGOs in Somaliland. The study concluded by indentifying major strategic implementation impeders. Eight major problems that were identified in the study include co-ordination was not sufficiently effective, people were not measured or rewarded for executing the plan, insufficient financial resources to execute the strategy, major problems surfaced which had not been identified earlier, changes in security levels impact implementation, took more time than originally allocated, lack of stakeholder commitment, and key formulators of the strategic decision did not play an active role in implementation.

The study also established seven moderate problems which occasionally affect strategy implementation. Among them include lack of feedback on progress, poor inter-departmental (horizontal) communication, uncontrollable factors in the external environment had an adverse impact on implementation, advocates and supporters of the strategic decision left the organization during implementation, overall goals were not sufficiently well understood by employees, lack of instituting two-way communication between top management and staff, and problems requiring top management involvement were not communicated early enough.

5.4 Recommendations

The researcher recommends that INGOs should continuously align their strategies with the organizational resources and capabilities. Regular reviews and strategic surveillance is highly recommended in order to proactively tackle any potential strategy impeders that might distort the strategic intent. Strategies should be flexible in a way that the organization can adjust to opportunities and threats coming from the uncertain external environment. In addition, INGOs should align their strategy plans in not only with their corporate strategies but also context related development plans. Close coordination should be created among INGOs so as to reduce the high level competition over available funds and overlapping thematic interventions. In addition, the government should provide policy framework in harmonizing INGOs strategies with the National Development Plan. Meanwhile, the government should set up effective monitoring mechanisms in order to ensure aid effectiveness in line with international conventions.

Also, the researcher recommends that INGOs should find a solution for identified major implementation obstacles. Coordination should be improved by clarifying roles and responsibilities, and creating effective two-way communication with timely feedback. Remuneration and reward system need to be linked with performance in implementing strategies and achieving target goals. INGOs should also increase their funding portfolio and fund raising activities in order to avail needed financial resources for strategy implementation.

Careful planning of activities should be carried out while creating buffer time for contingency in case the unexpected happens. Areas where security level is turbulent should be handled with care in order to ensure the principle of do no harm. Stakeholders and direct beneficiaries should be included in the project planning so as to improve their feeling of ownership and increase their commitment towards implementing the plan. All employees should be involved in strategy formulation so that implementation is not affected in case key formulators leave during implementation. Succession planning should be practiced and each key position should have deputy in case one decides to leave during implementation.

5.5 Suggestions for Further Study

The study was aimed at determining challenges of strategy implementation faced by INGOs in Somaliland. The study did not focus on challenges of strategy implementation faced by Local NGOs, and UN agencies which can be area of focus for other researchers. Meanwhile, a large research gap exists in the profit making sector mainly telecommunications, money transfer agencies, and the retail sector whereby other studies can be carried out both cross-sectional and case studies of major industry actors in Somaliland context. Other studies can focus on competitive strategies employed by small and medium sized businesses in Somaliland which contribute a lot to the economy in terms of employment creation and also the general economy of the country. Also, other studies can target strategic management practices of government ministries and agencies.

Strategy management is context sensitive and therefore, a good number of researches can be carried out in both profit and non-profit industries in Somaliland. Including are:

(1) Responses to challenges of strategies implementation by International Non-Governmental Organizations in Somaliland; (2) Influence of organizational culture on strategy implementation within International Non-Governmental Organizations operating in Somaliland; (3) Challenges of strategy implementation in the public sector in Somaliland; (4) Competitive Strategies and Performance of International Non-Governmental Organizations in Somaliland; (5) Response strategies of International Non-governmental Organizations in Somaliland to changes in the external environment.

5.6 Limitations of the Study

The study was limited to international NGOs operating in Somaliland and could not give a general picture of implementation challenges faced by profit making firms, local NGOs, and UN agencies. In addition, the study mainly focused on strategy implementation aspect and thus, cannot be generalized to challenges of strategy management practices faced by INGOs in Somaliland.

Other constraint was busy managers that required frequent follow ups and visits which compelled the researcher to extend the allocated time for the questionnaire and that is why the response rate is high enough. Moreover, traveling cost for data collection was also another challenge encountered even though funds were secured later.

5.7 Implication on Policy, Theory, and Practice

The study will assist policy makers in the Non-Profit sector as they will formulate policy frameworks in response to strategy implementation challenges identified. The study findings brought into the light major program strategy implementation obstacles faced by INGOs. It will be helpful to government agencies dealing with monitoring of aid effectiveness by devising policies that support aid implementing agencies to address context related problems. Meanwhile, donor agencies will use the study to formulate implementation guidelines that ensure smooth program execution. Development partners will use the finding to devise policy document with regard to implementation problems by urging INGOs to deal with strategy execution obstacles. Also, the study will assist INGOs interested to expand their operations to Somaliland in response of emergency droughts, or development related interventions.

The study findings will support INGO directors, managers, and stakeholders to address identified implementation challenges. INGOs will be able to better align their resources and capabilities with the environment so as to proactively tackle identified challenges. In this regard, the study findings agreed with the strategic fit theory in which the study was based. Grant (2010) argued that for a strategy to be successful, it must be consistent with the firm's goals and values, with its external environment, with its resources and capabilities, and with its organization and systems. The implementation challenges were mainly caused by lack of alignment between the strategy and the organization. Creating close fit between strategy and organizational internal and external elements will eliminate implementation impeters by regularly correcting any deviation that might hinder the fit between the strategy and the organizational internal and external factors.

Lastly, the study findings will help academicians and researchers. The study findings will be used as reference material by academicians and students interested to further study the strategic management practices in Somaliland or replicate the same study in the profit making firms. The study will contribute to bridge strategic management knowledge gap in Somaliland context. Identified problems will be compared with other studies in other countries mainly Africa and most common problems can be identified.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

A. General Information and INGO Profile

1. Name of Organization: _____
2. Name of the Respondent (Optional) _____
3. What is your position in your organization
 - A. Top Management
 - B. Middle Management
 - C. Supervisory Level
4. How many years has your organization operated in Somaliland?
 - A. less than one year
 - B. 1 – 5 years
 - C. 5 – 10 years
 - D. 10 – 15 years
 - E. Over 15 years
5. Within how many sectors do you operate?
 - A. Education
 - B. Health
 - C. Water, Hygiene, & Sanitation (WASH)
 - D. Shelter
 - E. Environment
 - F. Others, please specify _____
6. In how many countries are your operations based?
Two Three Four More than Four
7. How many employees do you have in Somaliland Programme? (Including those seconded to other agencies and government)
 - A. 1 – 25
 - B. 26 – 50
 - C. 51 – 75
 - D. 76 - 100
 - E. Over 100

B. Strategy Development Process

8. a) Does your organization have a vision statement? Yes () No ()
b) If yes, what is it? _____
9. a) Does your organization have a mission statement? Yes () No ()
b) If yes, what is it? _____
10. a) Does your Organization have strategic plans? Yes () No ()
b) If yes, how many years do they cover?
i) 1 to 5 Years
ii) 6 to 10 Years
iii) More than 10 Years
iv) Other, please specify _____
11. Who formulates strategies in your organization?
A. Programme Director/CEO
B. Top management
C. All employees participate
D. Consultants
E. Development Partners
F. Others, please specify _____
12. Strategy plans are developed in line with
A. Head Office/Corporate Strategy
B. National Development Plan
C. Donor guidelines and directives
D. Others, Please Specify _____
13. Use five point scale to rate features characterize your planning processes: 1=Not at all 5= Most Frequently
- | | | | | | |
|---|---|---|---|---|---|
| A. Formal planning meetings | 1 | 2 | 3 | 4 | 5 |
| B. Informal planning interactions | 1 | 2 | 3 | 4 | 5 |
| C. Timetables for planning activities | 1 | 2 | 3 | 4 | 5 |
| D. Clearly assigned responsibilities for planning | 1 | 2 | 3 | 4 | 5 |

C. Strategy implementation Process

14. a) Does your organization have annual objectives? Yes () No ()

b) If yes, how are they set?

- i) By board of Directors/Head Office
- ii) By top management
- iii) Heads of Departments
- iv) Through participation of all employees
- v) Development partners' policies (Donors)
- vi) Other, please specify _____

15. a) Does each department in your organization have functional strategies?

Yes () No ()

b) If yes, where are they derived from?

- i) Company's strategic plan
- ii) Stakeholders' feedback
- iii) Management meetings
- iv) Development partners' directives
- v) Other, please specify _____

16. Do you change the organization policies when new strategies are formulated?

Always Very often Occasionally Rarely Not at all

17. Please answer the following questions by ticking in the box that best describes the extent to which each of the stated organizational factors has contributed to successful strategy implementation. Use a 5 point scale where 5 = very successful, and 1 = not at all.

| | | | | | |
|--|---|---|---|---|---|
| Change of organizational structure | 1 | 2 | 3 | 4 | 5 |
| Changing organizational culture | 1 | 2 | 3 | 4 | 5 |
| Leadership of the Executive Director/CEO | 1 | 2 | 3 | 4 | 5 |
| Management Skills | 1 | 2 | 3 | 4 | 5 |
| Employee development and reward system | 1 | 2 | 3 | 4 | 5 |

18. Does the organization refer to the strategic plans when developing proposals for projects?

Always Very often Occasionally Rarely Not at all

D. Strategy Implementation Challenges

19. Please evaluate the extent to which the following problems influenced the implementation of the strategic decision. Please use the five-point scale as shown.

| | Potential strategy implementation problems | Extent of the Problem | | | | |
|-------|---|------------------------------|---------------|---------------------|-------------------|---------------|
| | | Never | Seldom | Occasionally | Frequently | Always |
| 19.1 | Development partners interference and regulations | | | | | |
| 19.2 | Changes in security levels impact implementation | | | | | |
| 19.3 | Government interference and regulations | | | | | |
| 19.4 | Lack of stakeholder commitment | | | | | |
| 19.5 | Lack of feedback on progress | | | | | |
| 19.6 | Took more time than originally allocated | | | | | |
| 19.7 | Un-supportive organizational culture | | | | | |
| 19.8 | Major problems surfaced which had not been identified earlier. | | | | | |
| 19.9 | Co-ordination was not sufficiently effective | | | | | |
| 19.10 | Competing activities distracted attention from implementing this decision | | | | | |
| 19.11 | Capabilities of employees involved were insufficient | | | | | |
| 19.12 | Training and instruction given to lower level employees were inadequate | | | | | |
| 19.13 | Uncontrollable factors in the external environment had an adverse impact on Implementation | | | | | |
| 19.14 | Leadership and direction provided by departmental managers were inadequate | | | | | |
| 19.15 | Key implementation tasks and activities were not sufficiently defined | | | | | |
| 19.16 | Information systems used to monitor implementation were inadequate | | | | | |
| 19.17 | Advocates and supporters of the strategic decision left the organization during implementation. | | | | | |
| 19.18 | Overall goals were not sufficiently well understood by employees | | | | | |

| | Potential strategy implementation problems | Never | Seldom | Occasionally | Frequently | Always |
|--|---|--------------|---------------|---------------------|-------------------|---------------|
| 19.19 | Changes in responsibilities of key employees were not clearly defined | | | | | |
| 19.20 | Key formulators of the strategic decision did not play an active role in implementation | | | | | |
| 19.21 | Problems requiring top management involvement were not communicated early enough. | | | | | |
| 19.22 | Deviation from original plan objectives | | | | | |
| 19.23 | People are not measured or rewarded for executing the plan | | | | | |
| 19.24 | Lack of feelings of "ownership" of a strategy or execution plans among key employees | | | | | |
| 19.25 | Lack of understanding of the role of organizational structure and design in the execution process | | | | | |
| 19.26 | Insufficient financial resources to execute the strategy. | | | | | |
| 19.27 | Poor inter-departmental (horizontal) communication | | | | | |
| 19.28 | Lack of instituting two-way communication between top management and staff | | | | | |
| Other Problems (Please specify and rate): | | | | | | |
| 19.29 | | | | | | |
| 19.30 | | | | | | |
| 19.31 | | | | | | |

20. How often does your organization review strategy plans? Does not Review
Quarterly Semi-Annually Annually Bi-annually
Every 3 years Other, please Specify _____

21. Evaluate the overall success of the strategy implementation effort

1=low success 5=high success

- | | | | | | |
|--|---|---|---|---|---|
| a. Achieved the intended outcome | 1 | 2 | 3 | 4 | 5 |
| b. Achieved the financial budgets expected | 1 | 2 | 3 | 4 | 5 |
| c. Was carried out within the resources initially budgeted | 1 | 2 | 3 | 4 | 5 |

THANK YOU

APENDIX II: LIST OF INGOs IN SOMALILAND

| ID | Name of the Organization |
|----|---|
| 1 | Action Aid |
| 2 | ADRA Somaliland |
| 3 | African Development Solutions (Adeso) |
| 4 | African Education Trust |
| 5 | African Relief Committee |
| 6 | Aid to The Poor and Needy |
| 7 | Al-Maktuom Foudation |
| 8 | American Relief Agency for the Horn of Afgica |
| 9 | Amoud Foundation |
| 10 | Associazione Soomaaliya Onluy |
| 11 | Care International |
| 12 | Caritas Luxembourg |
| 13 | Caritas Swizerland |
| 14 | Comtato Collaborazione Medical |
| 15 | Concern World Wide Somaliland |
| 16 | Cooperazione E Sviluppo |
| 17 | Cooperazione Internazionale |
| 18 | Danish Demining Group |
| 19 | Danish Refugee Council |
| 20 | Direct Aid International |
| 21 | Farm Concern International |
| 22 | Finchurch aid/Kirk on Ulkmaan Apu |
| 23 | Free Press Unlimited Foundation |
| 24 | German Agro Action |
| 25 | Gruppo Relazioni Trasculturali(GRT) |
| 26 | Halo Trust |
| 27 | Handicap International |
| 28 | Health Poverty Action |
| 29 | Helping Hand for Relife and Development |
| 30 | Human Relief Agency |
| 31 | International Islamic Relief Organization |
| 32 | International Medical Corps |
| 33 | International Republican Institute |
| 34 | International Solidarity Foundation |
| 35 | Islamic Relief Somaliland |
| 36 | Life International |

| | |
|----|---|
| 37 | Linking in Aid Trust |
| 38 | Mas Children Teaching Hospital |
| 39 | Medair |
| 40 | Medical Relief Lasting(Merlin) |
| 41 | Medecins Sans Fronteires-Belgium |
| 42 | Mercy Corps |
| 43 | Mines Advisory Group |
| 44 | Munazzamat Al-dawa Al-islamiya |
| 45 | Muslim Aid Uk |
| 46 | Muslim Hands United Needy |
| 47 | Nooleynta Naruurada Mustaqbalka |
| 48 | Norwegian People's Aid |
| 49 | Norwegian Refugee Council |
| 50 | Nutr Aid |
| 51 | Oxfam GB |
| 52 | Oxfam Novib |
| 53 | Partner Aid International |
| 54 | Pastoral and Environmental Network in the Horn of African |
| 55 | Physicians for Social Responsibility |
| 56 | Population Services International |
| 57 | Progressio |
| 58 | Relief International |
| 59 | S/land Red Crescent Society |
| 60 | Save the Children International |
| 61 | Terra Nuova |
| 62 | Terre Solidali |
| 63 | The Pentecostal Foreign Mission of Norway-Aid |
| 64 | Tostan International |
| 65 | Tropical Health and Education Trust(TheT) |
| 66 | Universal and Cultural Trust |
| 67 | Veterinaires sans Frontiers Germany (VSF-G) |
| 68 | World Concern Development Org. |
| 69 | World Vision International |
| 70 | ZamZam Foudation |

Source: Coordination Office, Ministry of National Planning and Development, Somaliland

APENDIX III: INTRODUCTION LETTER



**UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME**

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P.O. Box 30197
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DATE... 06/08/2013

TO WHOM IT MAY CONCERN

The bearer of this letter ... Abdifatah Mohamed Noor


Registration No.... 261/72407/2011

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He is required to submit as part of his coursework assessment a research project report on a management problem. We would like the student to do his projects on real problems affecting firms in Somaliland. We would, therefore, appreciate your assistance to enable him collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.


**PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS**

