CHALLENGES OF STRATEGY IMPLEMENTATION AT KENYA FERRY SERVICES LTD

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DECLARATION

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

Signed...   Date..

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

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DEDICATION

I dedicate this report to you, the reader. It is my honest belief that as you read through, you will find it useful as a reference document. Nobody has monopoly over knowledge, a key reason and purpose for knowledge sharing. Good luck.

ACKNOWLEDGEMENT

ABSTRACT

Strategies are formulated not just for the sake of it, but for implementation. A strategy is not an end in itself but a means to an end. Strategies only become beneficial to the firm when they are successfully executed. Strategy formulation and implementation are two interlinked processes that should not be separated. When formulating strategies, managers should reflect on how these strategies will be implemented. Unfortunately, it is at the point of execution that most failures occur. Many managers are trained on how to formulate successful strategies, but not how to implement them. Consequently unlike strategy formulation, strategy implementation is often treated as a craft rather than a science. This is the point where managers are taken to task by the many challenges come into play.

Formulating a consistent strategy is a difficult task for any management team, but successful execution is even more challenging. Successful implementation requires leaders who lead through inspiration and coaching rather than control. It requires strong commitment and inspiration from managers. It is at this point that managers deal with a myriad of problems ranging from people problems such as politics to resource allocation problems. It is noteworthy that unlike strategy formulation, strategy implementation involves more people, making it a highly complex process. Many challenges come into play and only managers with the capability to overcome them end up successfully implementing the strategies.

This study revealed various challenges. The challenges ranged from staffing, decision-making processes, structure, communication, reward systems, price controls, financial constraints, legal and other people related problems. Organization-specific factors included the difficulty of the company to balance its commercial objectives with the corporate social

responsibility of providing free ferry crossing to pedestrians that have high quality expectations. Financial limitation emerged to be the main challenge, leading to most of the other challenges mentioned. All these challenges could be overcome through proactive managerial interventions. Most of the recommendations included in this report are not simply external prescriptions. This is because they were proposed by interviewees in the course of data collection. If these are transformed into action plans with proper time lines and performance measures, management could positively transform the situation to a positive direction necessary for improving the strategic management practice in the company.

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CHAPTER 1: INTRODUCTION

1.1 Background of the Study

Strategy formulation is not an end in itself. It is just a means to an end. A successful organization is one which not only formulates smart strategies, but implements them as well. Strategy execution really tests the manager or entrepreneur's skills. The real challenge for many organizations arises when it comes to actual implementation of the particular strategies that they formulate. Many challenges emerge, making it difficult or even impossible for some or even all strategies formulated to be implemented. It is therefore important for organizations to establish a clear link between strategy formulation and implementation.

Aosa (1992) acknowledged the fact that after formulation, strategies need to be implemented otherwise they are useless to the organization if they are not translated into action. Strategy formulation and implementation is a cyclic process with a strong bearing on the organization's learning capabilities. The organization needs to continuously evaluate its success in implementing the particular strategies that it formulates. It is upon the particular organization to identify implementation challenges and come up with mechanisms for overcoming them.

According to Wang (2000), strategy implementation addresses both planning and how the strategy can be put into effect. It also involves managing any changes that may result from the process. This implies that the way strategies have been formulated has an important bearing on how they are implemented. Poor formulation of strategies may be the first obstacle to implementation of such strategies. It is important to stick to business sense and do proper competitive analysis as a way of formulating successful strategies. Likewise, it is

important to create strong leadership, proper resource allocation, business processes and policies that support the strategy. A high level of focus remains a prerequisite for successful strategy implementation.

Bryson (2004) stresses the importance of being politically realistic by taking into account concerns and preferences of internal and especially external stakeholders. He emphasizes the need to address the subjective question of purpose and the often competing values that influence mission and strategies. Emphasis is also placed on external trends and forces as they are likely to affect the organization and its mission. Certain capabilities may be seen as improving chances of future success. Building of these capabilities boosts chances of successful implementation. These capabilities may be exceptional or even unique to the organization.

Pierce and Robinson (1991) cite the firm's primary organization structure, organization leadership, organization culture and ultimately individual organization members particularly key managers as being important determinants for successful strategy implementation. It is important to establish the right match between strategy and trends in a firm's environment. Pierce and Robinson (1998) point out that it is important for organizations to understand and adjust to their environments if they have to achieve their goals and objectives. Few strategies are implemented in their entirety in which they were formulated. Part of the strategy may be therefore recognizing the patterns that seem to have led to success even if these patterns arose by chance rather than as a result of planned actions.

1.1.1 Implementation of Strategy

Kimble & Tight (2007) defined implementation as a stage or phase in a process of planning and policy making. They further explained it as the stage where decisions are put into practice, allowing them to influence the behaviour of target groups and affect the real world. Examples given as instruments of implementation include direct action such as communications, procurements, instructions, permissions, appointments, investments and so on. According to Ansoff, Declerk and Hayes (1976), the outcome of strategic planning is only a set of plans and intentions. By itself strategic planning produces no actions, no visible changes in the firm. To effect the changes a firm needs appropriate capabilities such as trained and motivated managers, strategic information, fluid and responsive systems and a suitable organization structure.

Implementation translates strategy into current operating decision (Schellenberger and Boseman (1982). This calls for integration of the organization's resources (human, financial and physical) with structures. Even though in reality there may be a separation between planning and execution tasks, the two are highly interdependent. Success in executing strategy can be best achieved when those responsible for execution are also part of the planning or formulation process.

Chandler (1962) concluded that firms which were effective adopted new structures when they changed strategy. Although there is no single structure that suits all organizations at all times, there is need to choose an organization structure that is suitable for implementation of the selected strategy. The type of structure has a great deal to do with the type of information

provided to top management. Strategy implementation involves more people than formulation. Vertical and horizontal communication becomes a challenge. The necessity to link strategic objectives to daily objectives of employees becomes equally challenging.

Managing strategy goes hand in hand with managing change (Mintzberg and Quinn, 1988). Management needs to put into place mechanisms for managing continuous change whenever a strategic shift is envisioned. Culture also affects the way strategy is implemented. It affects the way people are chosen, developed, nurtured, interrelated and rewarded in the organization. Culture also influences the way an organization weighs options and responds to changes. This is because strategy execution is a process, not an action or step. It involves a series of internally consistent, integrated activities and processes.

 Pearce/Robinson (2000) stated that after design of strategy, managers need to focus on six components in order to effectively execute the strategy. The six components are those suggested in the McKinsey 7s framework. They include structure, skills, systems, shared values, style and staff. Structure refers to reporting relationships. Systems are daily activities and procedures that are used to perform the job. Shared values are the corporate culture and general work ethics. Style is the form of leadership adopted, while Staff and skills refer to employees and their general capabilities. Management enables the organization to cope with complexity that may result from a chaotic environment. Leadership enables the organization to effectively manage change while culture determines how things are done in the firm. The organization should also put in place controls to monitor progress from the time of strategy implementation to the time the intended results are achieved. McMillan and Tampoe (2000) acknowledge the difficulty of successfully implementing strategy. They summarize the scope

of strategy implementation into three major areas comprising of change in systems and processes, change in culture and change in organization structure.

1.1.2 Ferry Transport in Kenya

The modes of transport in this country include road, rail, air and sea. Ministry of Transport is in charge of the overall policy on the transport sector, while the Ministry of Roads and Public Works formulates the roads sub-sector policy. Ferries are used both at the port of Mombasa and in Lake Victoria in Kisumu. Since 1900s, ferries have been used in Lake Victoria to transport freight and passengers between Kenya, Uganda and Tanzania. Main ports on Lake Victoria are Kisumu, Mwanza, Bukoba, Entebbe, Port Bell and Jinja. Lake Victoria ferries are diesel-powered vessels. Mombasa has a commercial port called Kilindini and it attains international standards. Formal ferry services at Likoni Mombasa were started in 1937. The vessels used by then were pontoons driven by motorboats. Modern ferries were introduced in 1957. Currently, the ferries are the only link to the South Coast and they are operated by Kenya Ferry Services Limited which is a state corporation operating under the Ministry of Transport.

The purpose of Kenya Ferry Services Limited is to provide transportation via ferry link to both pedestrians and vehicle traffic. The company initially owned and operated five ferries namely MVs Nyayo, Harambee, Kilindini, Pwani and Mvita. The first four ferries serve the Likoni crossing while Mvita serves the Mtongwe crossing. The company has purchased two new ferries namely MVs Kwale and Likoni. The ferries were delivered on 2nd June 2010, bringing the total fleet of ferries to seven. Kenya Ferry Services transports an average

of 170,000 pedestrians and 3,000 vehicles per day. The company has diversified its business to include advertising space on an array of platforms.

Ferry services were initially run by Kenya Bus Services on a franchise arrangement with the Municipal Council of Mombasa. In 1989, Government of Kenya decided to take over operation of the ferries by acquiring all the ferries namely Pwani, Mvita, St Michael, Pombo and Mtongwe at a price of Kshs 10.5 million. Staff were retained and Kenya Ports Authority (KPA) was appointed to manage the services on behalf of the government. KPA transformed one of its subsidiary companies namely Bunty Estates Ltd to Kenya Ferry Services Ltd. In 1990, the government bought four new ferries namely MV Nyayo, MV Harambee, MV Kilindini and MV Mtongwe 2 at a cost of Kshs 376 million. This was done to supplement the existing fleet. The company was funded by the exchequer and KPA by way of advances at this stage in time.

Ownership of the company by Government was formalized in 1998 through a sessional paper no.3 of the same year, transforming Kenya Ferry Services Ltd into an independent state corporation. This was done by transforming contributions of the government and those of KPA into equity. As a result, share capital was increased from Kshs 2 million to Kshs 500 million. The company is now 80% government owned and 20% owned by KPA.

1.2 Problem Statement

Increasing concern in any business is the ability to translate strategy into action. This can be very difficult in organizations which have a wide distance between those who formulate strategy and those who carry it out. Unfortunately, the general trend reveals that chief executive officers (CEOs) find it increasingly difficult to execute the strategies that they formulate. Successful strategy execution has turned out to be more difficult as compared to formulation. According to Kaplan and Norton (2000), a survey of management consultants carried out in 1980s reported fewer than 10% of effectively formulated strategies as being successfully implemented. They concluded that in 70% of the cases, the real problem is not bad strategy. It is bad execution.

The Conference Board (2007) carried out an international survey of leading CEOs on the top ten challenges that the CEOs face. A total of 769 CEOs were drawn from 40 countries to rate their challenges of greatest concern from among 121 enumerated challenges. The findings of the survey indicated excellence in strategy execution as the CEOs top challenge of concern. This had the highest score of 38.4%. Sustained and steady top-line growth was ranked the second greatest challenge with a score of 36.8%, while consistent execution of strategy by top management was ranked as the third greatest challenge of concern with a score of 31.8%.

Corporate performance is heavily determined by managers' skills or the skills of the entrepreneurs and their abilities to successfully execute strategy. A wide range of activities is involved, making the process of execution to be complex and vigorous. This puts heavy demand on corporate managers on aspects such as on their abilities to communicate and

convince all employees on the benefits of the chosen strategy, direct organizational change, allocate resources, institute internal controls, motivate people, develop capabilities and the organizational culture to support the strategy among other demands. Managers have to deal with a variety of issues such as vested interests, office politics, existing attitudes and ingrained practices.

All these issues pose major challenges to strategy execution. Some challenges may be common to several organizations while others may be unique to certain organizations or industries. Management should not just sit and do nothing. Such challenges need to be identified and used as a basis for continuous learning and improvement as one way of enhancing managerial efficiency and effectiveness. The first step is therefore to identify these challenges and table them for management action.

Heide, Gronhaug and Johannessen (1997) carried out a case study to identify barriers to the successful implementation of activities as part of a planned strategy in a Norwegian ferry-cruise company. Findings indicated that various types of communication problem influenced to some extent by the organization structure, constituted the key barriers to the implementation of planned strategic activities. May (2005) cited four types of barriers to the implementation of integrated transport strategies as identified in the Land Use Transport Research Project (LUTR). The factors included legal barriers, financial barriers, political and cultural barriers, practical and technological barriers. In his study at Kenya Ports Authority, Tai (2007) discovered the challenges to strategy implementation as including ineffective management, poor reward system, poor communication, poor measurement and poor prioritization of strategy.

Over the years, management literature has focussed primarily on parading new ideas on planning and strategy formulation, but neglecting execution. The research findings revealed above are a clear indicator that successful strategy implementation indeed poses a big challenge to corporate managers. This fact was also acknowledged by Macmillan and Tampoe (2000). Kenya Ferry Services Limited could not be an exception to this scenario. On this basis, this particular research sought to identify on a broad perspective, which challenges were faced by Kenya Ferry Services Limited in the process of strategy implementation. These were compared with findings made by other researchers to reveal whether these challenges were similar or not. A further disclosure was made as to which among the challenges revealed were organization-specific.

1.3 Research Objective

The objective of this study was to determine challenges of strategy implementation at Kenya Ferry Services Ltd.

1.4 Importance of the Study

This study has academic importance. Findings obtained add to the contribution of the already existing bank of knowledge on strategy implementation. This could enable management students reviewing this literature to broaden their understanding of the challenges that managers encounter when executing chosen strategies. This further bridges the gap between theory and practice, providing a holistic understanding of the management function.

It could also assist the management of Kenya Ferry Services to critically review their strategy implementation processes so as to come up with mechanisms for improvement. However, this would only happen if the managers made it a key task to address the challenges revealed by this study. It is expected that such challenges would be used as a basis for continuous learning and subsequent improvement. Challenges in strategy implementation are experienced by most organizations. Nevertheless, corporate managers have to prove their worth by successfully implementing the strategies that they craft and choose. By so doing, they move the organization from a problem state to a solved state. The benefits of any chosen strategy can only be realized upon successful implementation. Otherwise the organization's resources, time and efforts go to waste leading to failure.

 The study also points out related areas that could be explored for further research. Findings could form a crucial basis that could be used by future researchers who may want to carry out related studies. Any knowledge gaps arising could be used to launch other studies to explore such gaps. This chain effect crucially enables researchers to systematically build theory and answer research questions in a relevant way.

CHAPTER 2: LITERATURE REVIEW

2. 1 The Concept of Strategy

The term strategy has military origins. It is derived from the Greek word "Strategos "which means grand or general approach. The general approach refers to the grand plan which in turn is the strategy. Initial superpowers were the Greeks and Romans, thus strategic management had its initial applications in the military in Greece. The adoption of strategy made it easier for Greeks to plan and succeed in war. This success made it desirable for business application, hence the beginning of strategic management in the business sector. Strategy has been defined in several ways by different management authors.

According to Steiner (1979), the term strategy entered the management literature as a way of referring to what one did to counter a competitor's actual or predicted moves. He also points out that there is very little agreement as to the meaning of strategy in the business world. Several meanings emerge from his definitions to include top management actions. Strategy also emerges to mean decisions and actions necessary to realize purposes and missions. Andrews (1980) defines corporate strategy as the pattern of decisions in a company that determines and reveals its objectives, purposes or goals, produces the principal policies and plans for achieving those goals, defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities.

Mintzberg (1994) argues that strategy emerges over time as intentions collide with and accommodate changing reality. Strategy is reflected in a pattern evident in decisions and actions over time. Mintzberg called this pattern the "realized" or emergent strategy. This

definition captures the importance of flexibility in strategy. According to Robert (1993), strategy boils down to four factors namely products and services, customers, market segments and geographic areas. Barney (1996) terms strategy as a pattern of resource allocation that enables firms to maintain or improve their performance. He terms a good strategy as one that neutralizes threats and exploits opportunities, while capitalizing on strengths and avoiding or fixing weaknesses. This definition emphasizes the competitive nature of strategy.

Porter (1996) argues that competitive strategy is "about being different" as indicated in the Harvard Business Review pp5. He argues that strategy is about competitive position, about differentiating oneself in the eyes of the customer, about adding value through a mix of activities different from those used by competitors. This definition is in close agreement with Barney's. Strategies exist at several levels in any organization - ranging from the overall business (or group of businesses) through to individuals working in it. Corporate strategy is concerned with the overall purpose and scope of the business to meet stakeholder expectations. This is a crucial level since it is heavily influenced by investors in the business and acts to guide strategic decision-making throughout the business. Corporate strategy is often stated explicitly in a mission statement. Business unit strategy is concerned more with how a business competes successfully in a particular market. It concerns strategic decisions about choice of products, meeting needs of customers, gaining advantage over competitors, exploiting or creating new opportunities etc. Operational strategy is concerned with how each part of the business is organized to deliver the corporate and business-unit level strategic direction. Operational strategy therefore focuses on issues of resources, processes, people etc.

2.2 Strategic Planning

Business planning and strategic planning are two different things. Business plans are usually for an outside audience whereas the strategic plans are developed for internal purposes. Also strategic plans look at the 'bigger picture' whereas business planning looks at certain elements of an organization. According to Allison and Kaye (2005), strategic planning involves making of choices. It is a process designed to support leaders in being intentional about their goals and methods. Strategic planning is a management tool that helps an organization to focus on its vision and priorities in response to a changing environment and ensure that members of the organization are pursuing the same goals. The process is strategic because it involves choosing how best to respond to the circumstances of a dynamic and sometimes hostile environment.

Strategic planning is just a tool. It does not substitute leadership. Strategic planning is based on assumption. There is need for every organization to continuously monitor changes in the environment and assess whether its assumptions remain valid. Strategic planning is not a smooth, predictable and linear process. The process requires flexibility and as a result, it does not flow smoothly from one phase to the next. Harrison (1995) defines strategic planning as the process by which an organization conceives the future and takes the necessary steps to achieve that future. Arthur and Strickland (2003) acknowledge that managers cannot function effectively as either leaders or strategy makers without a future oriented concept of the business.

2.2.1 Strategic Planning Process

Relevance of the strategic planning process for developing organizational strategy is very important. Rowe (1994) summarizes the strategic planning process into only three steps. The beginning point is establishing mission and objectives. The next step is conducting an environmental scan. This is done so as to collect information on an organization's strengths, weaknesses, opportunities and threats (SWOT). This scan also reveals political-legal, economic, social and technological factors (PEST) that impact on operations of the organization. This information forms a crucial input when formulating strategy.

Hill and Jones (2004) have gone further to identify five steps in the strategic planning process. The first step identified involves selecting the corporate mission and major corporate goals. The second step involves analyzing the organization's internal operating environment to identify opportunities and threats. The third step involves analysis of the organization's internal operating environment to identify the organization's strengths and weaknesses. In the forth step, selection is done for strategies that build on the organization's strengths and correct its weaknesses in order to take advantage of the external threats. The selected strategies are implemented in the fifth step. It is noteworthy that this process resembles that suggested by Rowe, but it has an additional last step as implementation.

Young (1998) identifies several stages in the strategic planning process. According to him, the first step is to do an environmental scan or a situational analysis of strengths and weaknesses (SWOT) analysis, which includes a stakeholder analysis. Second step involves formation of the vision and mission statements. These define the purpose of the organization, values and boundaries. The third step involves development of general goals, specific targets or objectives, and performance measurements to gauge organizational progress. A set of

action strategies is then developed in the fourth step to indicate what will be done to accomplish its goals and objectives. The fifth stage involves implementation of detailed operational or tactical plans that provide for staff assignments and schedules. The sixth stage involves evaluation component to monitor and revise the overall strategic approach as it unfolds. Note that this model is more comprehensive than the first two.

Smit (1999) acknowledges that today, strategic management is still the most widely accepted and implemented view of the process by which managers develop, define and motivate the competitive strategy, organizational architecture and long-term objectives of the organization. In that view, the planning model considers both internal and external factors when formulating strategy. Additional factors that are also important include management values and stakeholder priorities. Emphasis is put on analysis and reason, in line with Fayol's view of the management function.

Pearce and Robinson (2000) identify nine critical tasks in the strategic management process. According to them, it starts with formulating the company's mission, including broad statements about its purpose, philosophy and goals. This is followed by conducting an analysis that reflects the company's internal conditions and capabilities. The third task involves assessing the company's external environment, including both the competitive and general contextual factors. In the fourth task the company's options are analyzed by matching its resources with the external environment. The fifth task involves identifying the most desirable options by evaluating each option in light of the company's mission. In the sixth task, a selection of long-term objectives and grand strategies that will achieve the most desirable options is done. Annual objectives and short-term strategies are set in the seventh task. Apparently, these should be compatible with the selected set of long-term objectives and

grand strategies. In the eight task, strategic choices are implemented by means of budgeted resource allocations. At this stage, matching of tasks, people, structures, technologies and reward systems is emphasized. Evaluation of the success of the strategic process is done in the ninth task as an input for future decision. Note that this model is even more comprehensive as compared to those aforementioned.

McNamara (2006) explains that there is no one perfect planning model for each organization. Apparently, each organization ends up developing its own model to suit its planning requirements. He however outlines the basic strategic planning process to include five steps. The first step involves identification of purpose, as reflected in the mission statement. The second step involves selection of the organizational goals necessary to accomplish the mission. In the third step, specific approaches (strategies) that must be implemented to reach each goal are identified. Action plans to implement each strategy are identified in the fourth step, while monitoring and updating the plan are done in the fifth step. He gives examples of other models to be goal-based planning, alignment model, scenario planning and the organic or self-organizing model.

In conceiving strategic plans, organizations can either employ formal or informal systems. Formal systems are well documented and structured. Informal systems are not documented and are unstructured. Informal systems may result from innovative approaches resulting from the learning process of managers. O'Reagan and Ghobadian (2002) acknowledge the existence of formal and informal strategic planning systems. There is a high tendency of small organizations to use informal systems while large organizations prefer formal systems. Strategic planning systems tend to vary from organization to organization as influenced by

various factors. According to Lynch (2003), these factors include the environment, product range, leadership and management styles.

Mintzberg (1994) maintains that formalizing a strategy implies a sequence from analysis through procedure to action. According to him, the essence of strategy making is the process of learning as we act. He states that formal systems can never internalize, comprehend or synthesize hard information. Mintzberg further alleges that strategies can develop inadvertently, without the conscious intention of senior management, often through a process of learning.

2.3 Strategy Implementation Models

Bourgeois & Brodwin (1984) categorize strategy implementation into five models, which they say represent a trend towards increasing sophistication in thinking about implementation. These models are the commander model, the change model, the collaborative model, the cultural model and the crescive model. The commander model splits the organization into thinkers and doers. The general manager makes the strategic choice and directs top managers to implement it.

In the change model, the general manager makes the strategic choice but concentrates effort on managing the changes necessary for successful implementation. The collaborative model forms and uses teams in making strategic choices. In the cultural model, the general manager communicates the vision and empowers each employee to design his or her work in line with the vision. In the crescive model, the general manager defines the purpose of the organization

in a manner that is broad enough to encourage innovation and careful selection of the strategy.

2.4 Challenges to Strategy Implementation

The European Conference of Ministers of Transport (2002) on implementation of Sustainable Urban Travel Policies identified a number of institutional and procedural barriers to sustainable urban travel strategies. In this conference, it was noted that these barriers were experienced widely throughout the developed world. The principal barriers identified were as follows: misguided financing and investment flows, unsupportive legal and regulatory frameworks, inefficient and counterproductive roles and procedures, poor policy integration and coordination, lack of a national policy framework for sustainable urban travel, public, political and media resistance to policies, analytical obstacles, wavering political commitment and poor data quality and quantity.

Tai (2007) cited an ineffective management team as the key barrier to successful implementation of strategy. Several other factors were identified in the course of his study. These included poor reward system, poor communication, poor prioritization of strategy and poor measurement. His study was carried out at Kenya Ports Authority.

May (2005) mentioned four types of barriers to the implementation   integrated transport strategies as identified in the Land Use Transport Research Project (LUTR). The factors included legal barriers, financial barriers, political and cultural barriers, practical and technological barriers. Legal barriers were stated as comprising lack of legal powers to

implement a particular instrument and legal responsibilities which are split between agencies. Financial barriers were stated as comprising budget restrictions limiting the overall expenditure on the strategy, financial restrictions on specific instruments and limitations on the flexibility with which revenues can be used to finance the full range of instruments. Political and cultural barriers were explained as including lack of political or public acceptance of an instrument, restrictions imposed by pressure groups and cultural attributes. Practical and technological barriers were explained as including land acquisition, management information systems, engineering design and availability of technology, lack of key skills and rapid changes in the types of policy being considered.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Research Design

This research was a case study. Case studies are detailed investigations of individuals, groups, institutions or other social units. In a case study, focus may not be on generalization but on understanding the particulars of that case in its complexity. The case study served as a useful means of revealing an in-depth and extensive description of the topic under investigation. Case study research answers one or more questions which begin with "how" or "why" Yin (1994). Case studies have been used to develop critical thinking (Alvarez et al., 1990). Case studies tend to be selective, focussing on one or two issues that are fundamental to understanding the system being studied.

The essential characteristic of case studies is that they strive towards a holistic understanding of cultural systems of action (Feagin, Orum, & Sjoberg, 1990). When there is the ethical need to confirm the internal validity of processes (triangulation), case study becomes the best method. In case studies, this could be done using multiple sources of data (Yin, 1984). As a result, case study is known as a triangulated research methodology. Reliability is achieved in many ways in a case study. The case study design has been used successfully by various researchers including Learn (2006), Bener, Ghaffor, Azab, Sankaran-Kutty, Toth & Lovaszg (2000) and Khamis (2006).

3.2 Data Collection

Primary and secondary sources of data were used. Stake (1995) and Yin (1994) identify at least six sources of evidence that can be used in case studies. These include documents,

archival records, interviews, direct observation, participant observation and physical artefacts among others. For purposes of this particular research, secondary sources of data that were used included the organization chart and the company strategic plan. An interview guide with open-ended questions was used to collect primary data from interviewees. The researcher administered these instruments in person. Each instrument was checked for completeness prior to collection. By the time this research was done, Kenya Ferry Services Ltd had a total of two hundred and forty five employees on a full-time basis. Interviewees consisted of management staff from five departments of the company. This narrowed down to eight interviewees (details are appended on page 62).

3.3 Data Analysis

Content analysis was used to analyze the data collected from respondents. According to Cooper and Schindler (2003), content analysis measures the "what" aspect of the message. Content analysis provided the researcher with a qualitative picture of the respondent's concerns, ideas, attitudes and feelings. Content analysis was used to identify the intentions and focus on communication trends of respondents.

In this particular study, the General Inquirer was used to analyze the open-ended responses. Coding was automatically done by the Inquirer, which also generated frequencies of the analyzed text. The percentage frequencies were posted to excel worksheets to generate graphical summaries that were also used to indicate the direction of the responses. Relevant word codes were plotted against percentage frequencies to obtain pictorial summaries using the excel computer application. The word codes consisted word classifications and they were plotted on x axis. The percentage frequencies were plotted on y axis.

CHAPTER FOUR: FINDINGS AND DATA ANALYSIS

4.1 Influence of Top Management to Strategy Implementation

Several researchers have emphasized the effect of top management on strategy implementation (Schdmit & Brauer, 2006; Schaap, 2006; Smith & Kofron, 1996). Most of them point out the important figurehead role that top management plays in the process of strategy execution.

In the context of this research, top management referred to the Board of Directors and the Managing Director of the company. Responses indicated that top management first of all owned the strategic plan and then linked it to performance contracts. They provided leadership and the needed support in form of resources and the needed commitment. They also spearheaded strategy formulation and supported its implementation by way of follow-up and control. Out of all the words used in responding to the input of top management, strong words had the highest frequency of 25.42%, indicating a strong direction as analyzed and summarized in figure 4.1. The direction of the responses was also powerful with a word frequency of 22.03%.
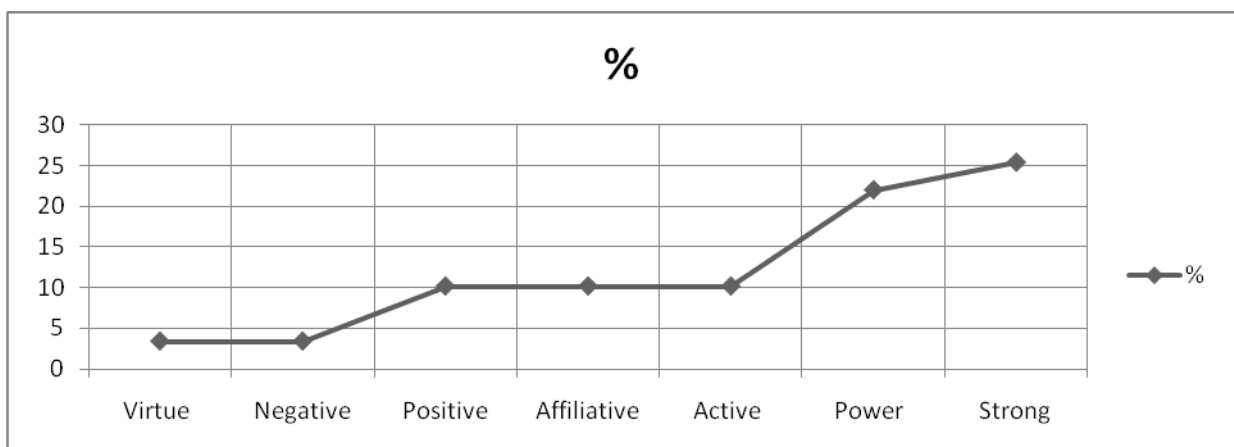

Fig 4.1 Graphical summary of top management influence

4.2 Contribution of Functional units towards Strategy Implementation

Top management should expect middle-level managers to question strategic decisions (Wooldridge & Floyd, 1990). Middle level managers expect that they shall receive top management direction. However in most cases they also feel that they are in a better position to start and evaluate alternative courses of action.

The company's five departments comprised of the Managing Director's office (which comprised of subsections such as Administration, Procurement, and Internal Audit), Engineering, Human Resources, Finance and Operations. By the time this study was being undertaken, Kenya Ferry Services Limited was in the process of setting up the Company Secretary's Department to handle its legal issues. The project manager's office had been abolished following a managerial decision.

Responses received on functional units' input to strategy implementation indicated that the internal audit section's role was to check on authenticity of financial reporting and accountability. Finance department advised management on financial matters such as implication of financial decisions. Operations department performed the role of to managing ferry operations such as scheduling. The procurement section played the role of assessing the viability of strategic options in terms of their cost implication and compliance to the laid down law by government, when acquiring goods and services for the company. The Human Resources department carried out the roles of recruitment, retention, training and development, taking care of staff welfare matters and industrial relations. The marketing and corporate affairs section facilitated corporate communication between the company and

external parties. It also handled external customers to ensure that their expectations were met. Responses to the contribution of functional units to strategy implementation were strong. Out of the total words used, strong words had the highest frequency of 18.39%, implying a strong direction. The responses also indicated an active orientation, with a word frequency of 11.49%. The analysis was as summarized in figure 4.2.
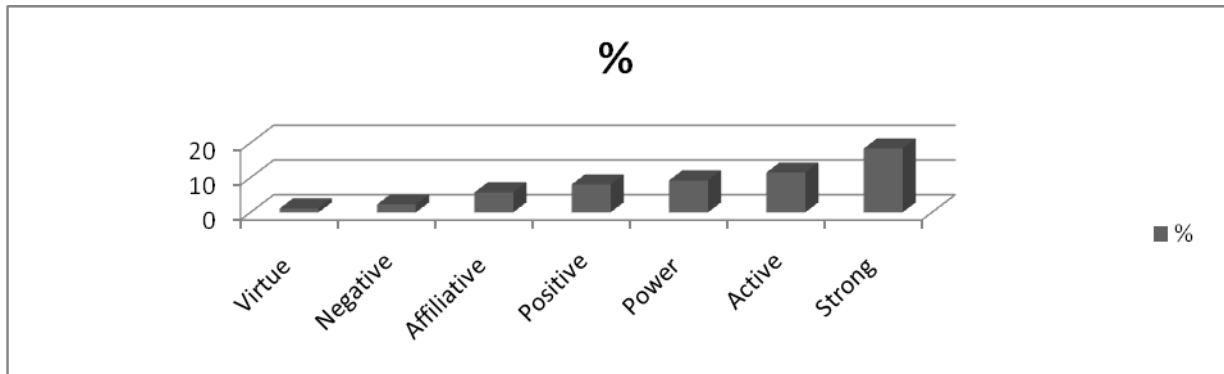
Fig 4.2 Graphical summary of functional units' contribution

Interviewees did not indicate any deliberate actions towards stronger coordination and relationships-building among functional units. Middle management involvement in strategy can be classified into four categories. These categories include championing alternatives and synthesizing information, facilitating adaptability and implementing deliberate strategy (Wooldridge & Floyd 1992).

4.3 The company's organization structure

In his landmark study, Chandler (1962) concluded that firms which were effective adopted new structures when they changed strategy. It was his view that structure follows strategy. Interviewees were asked to explain the organization structure-job fit. Five interviewees stated that the organization structure needed to be revised for better results. Only three of them were satisfied with the structure as it was then. The organization structure of Kenya

Ferry Services Limited is appended. In their responses, all the five out of eight interviewees used the word *but* to understate the structure-job fit. Out of all the words used in this response, those used to understate had the highest frequency of 31.25% as shown in the analyzed summarized figure 4.3.1.
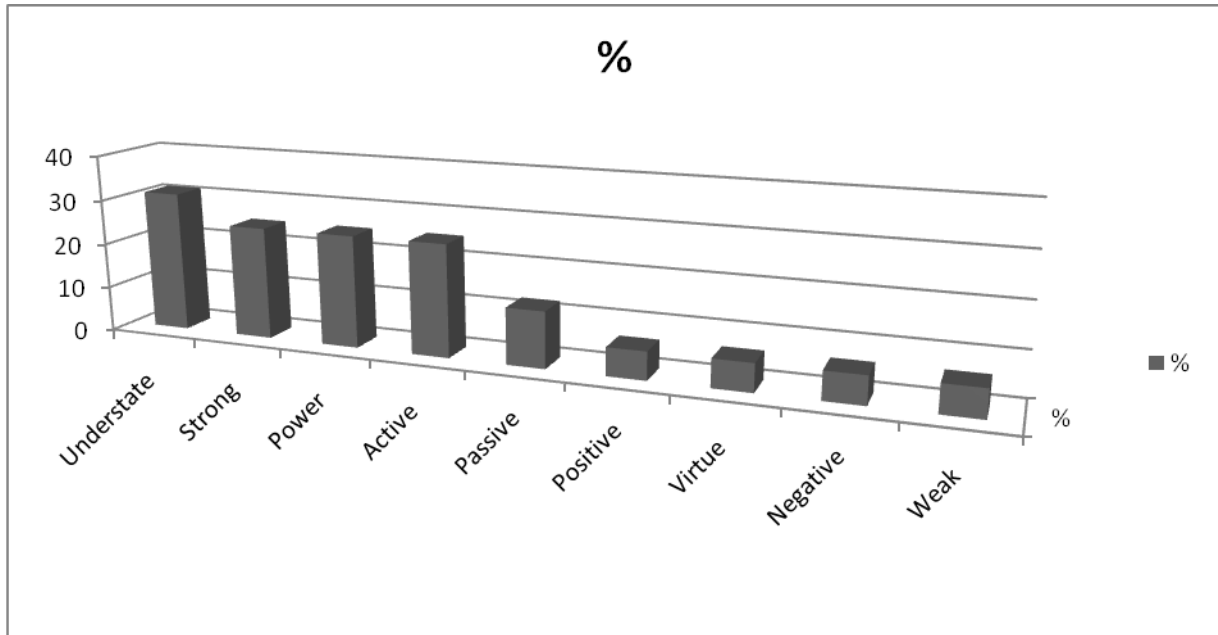
Fig 4.3.1 Graphical summary of organization structure-job fit

This implied a strong need for the organization structure of the company to be revised in line with the strategic objectives of the company. Strong words had a frequency of 25%.

Interviewees suggested several improvements on the structure. The suggestions included the need to match structure with company strategies. One department indicated the need to be placed higher on the structure due to its strong strategic input. Other suggestions included revision of organization structure to create new sections/departments such as IT and Marketing. Also mentioned was the need revise the structure to create electrical and

mechanical sub-departments under engineering. A graphical summary of analyzed responses was as shown in figure 4.3.2.
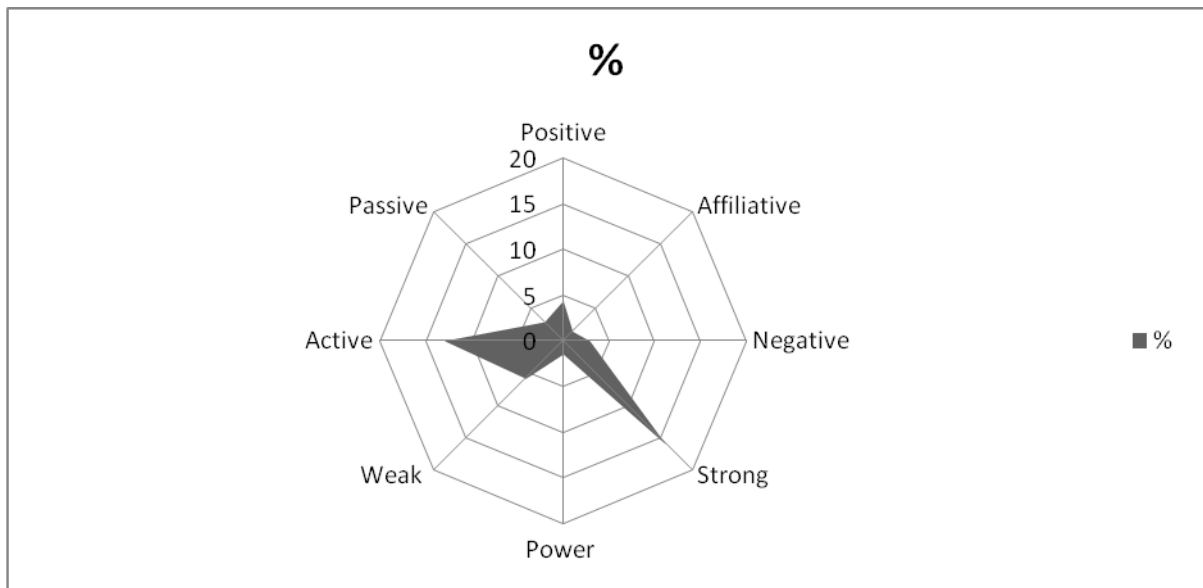
Fig 4.3.2 Graphical summary of suggested improvements on the organization structure

The radar chart above indicates that suggestions that were given for improvement of the organization structure were strong. This is because out of the total words used in this regard, strong words had the highest frequency of 15.94%. The suggestions were also active, as shown by the word frequency of 13.04%.

4.4 Decision-making style

Rapert, Lynch & Suster, (1996); Floyd & Wooldridge (1992) acknowledged the role of consensus for strategy implementation. Dess & Priem (1995) defined consensus as the level of agreement among the dominant coalition on factors such as goals, competitive methods and perceptions of the environment. According to Nobble (1999), lack of shared understanding may create obstacles to successful strategy implementation. Strategic

consensus refers to the degree to which the functional area believes that a chosen strategy is the most appropriate goal for their organization.

Interviewees were asked which decision making style was most preferred in the organization. Six interviewees indicated the centralized style as the most preferred in the company, while two of them indicated consensus. Implication here was that mixed decision-making styles were used by the company although centralized style appeared to be the most preferred. Explanations revealed that centralized was preferred because the company was still small in size. Other reasons given were to foster proper, better and more effective control. In addition, decentralized was used to collect more ideas, to promote a positive attitude and to make functional managers to easily own and implement decisions. Decentralized was also used because the organization was seeking ISO certification. A graphical summary of analyzed responses was as shown in figure 4.4.1 below:
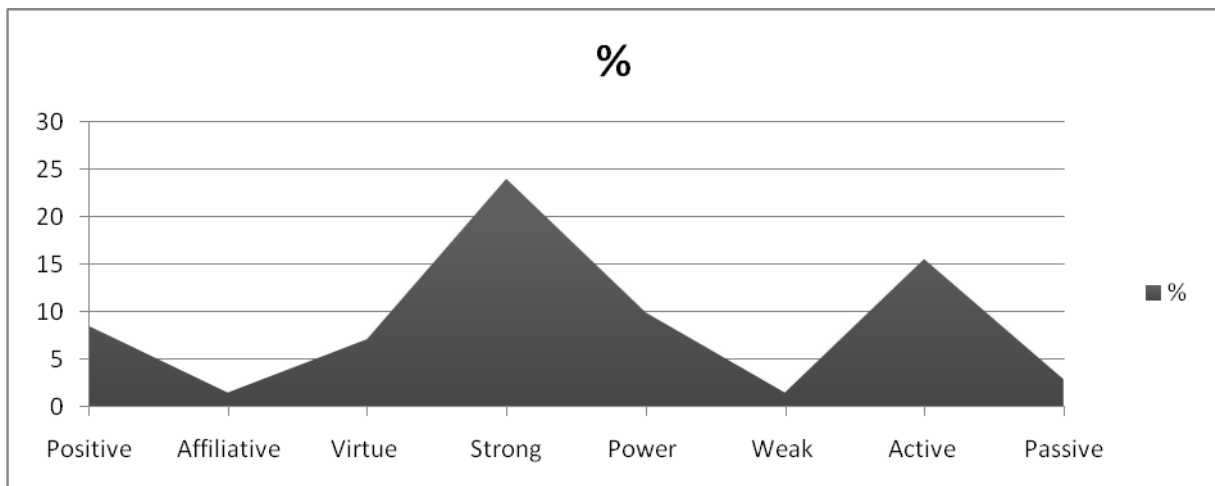
Fig 4.4.1 Graphical summary of reasons for preferred decision-making style

Observation of the area chart reveals that responses to reasons for decision-making styles were strong. Strong words had the highest frequency, adding up to 23.94%. These reasons

were based on the desired outcomes or actions of the decision being made. Active words amounted to 15.49%.

All the eight interviewees also strongly indicated the need to decentralize decision-making. They gave reasons for more decentralization as: to motivate staff, capture more ideas and to make decision-making more consultative. They wanted management to consider spreading decision-making more to include operational staff. Suggested improvements on the decision-making style were strong. Strong words had the highest frequency amounting to 15.71% as shown in the analyzed graphical summary figure 4.4.2.
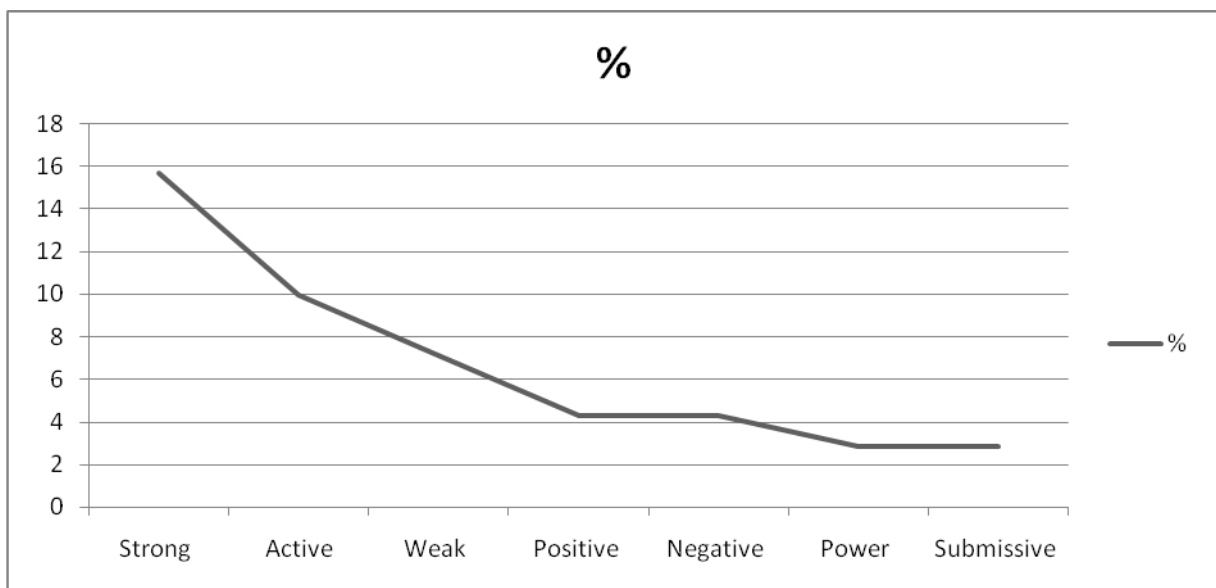
Fig 4.4.2 Graphical summary of Suggested improvements on the decision-making style

The suggestions were also active. Active words had a total frequency of 10%.

4.5 Communication

Several researchers have previously emphasized the critical role that communication plays in the process of strategy implementation. Findings of Peng & Littlejohn (2001) show that effective communication is a key requirement for effective strategy implementation. According to Forman & Argenti (2005), the purpose of Corporate communication is to facilitate strategy implementation through communication. Schaap (2006) carried out a study in the casino industry within the state of Nevada and found out that 38% of senior level leaders do not communicate the company's direction and business strategy to all their subordinates.

Interviewees indicated that internal communication was still a challenge in the company. They stated that most instructions were passed verbally leading to distortion of information and communication breakdowns. They also pointed out lack of a structured communication framework, a problem that was blamed for widespread grapevine. They mentioned that working in shifts affected dissemination of information which in most cases was done verbally. Other factors mentioned included Poor attitude among some individuals and personal interests. Lack of clarity on an official Public Relations person was also cited among factors affecting communication between the company and external parties. A graphical summary of analyzed responses was as shown in figure 4.5.1.
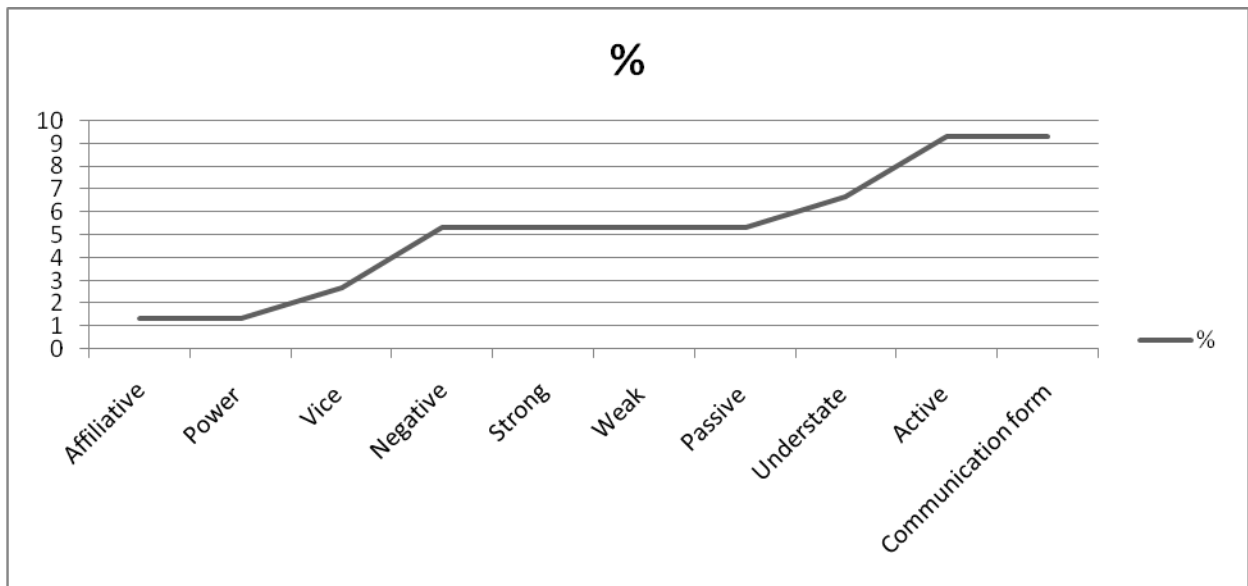
Fig 4.5.1 Graphical summary of communication challenges

The line chart shows that the main challenge in communication was the form of communication, which interviewees stated that was frequently done verbally. The mentioned form of communication had the highest word frequency of 9.33%. This was also attributed to activities such as working in shifts, which apparently caused communication breakdowns. Reasons attributed to activity had a word frequency of 9.33% as well.

Several solutions to the communication challenge were suggested by interviewees. They suggested formulation of a structured communication policy in the company. They also suggested more education of employees to maintain a positive attitude always on official matters. They expressed preference for more use of written communication to reduce distortions and other shortcomings of the verbal method. They also called for more training on team work which they felt should have been made part of the corporate culture. Analyzed responses had a strong and active orientation as shown in figure 4.5.2.
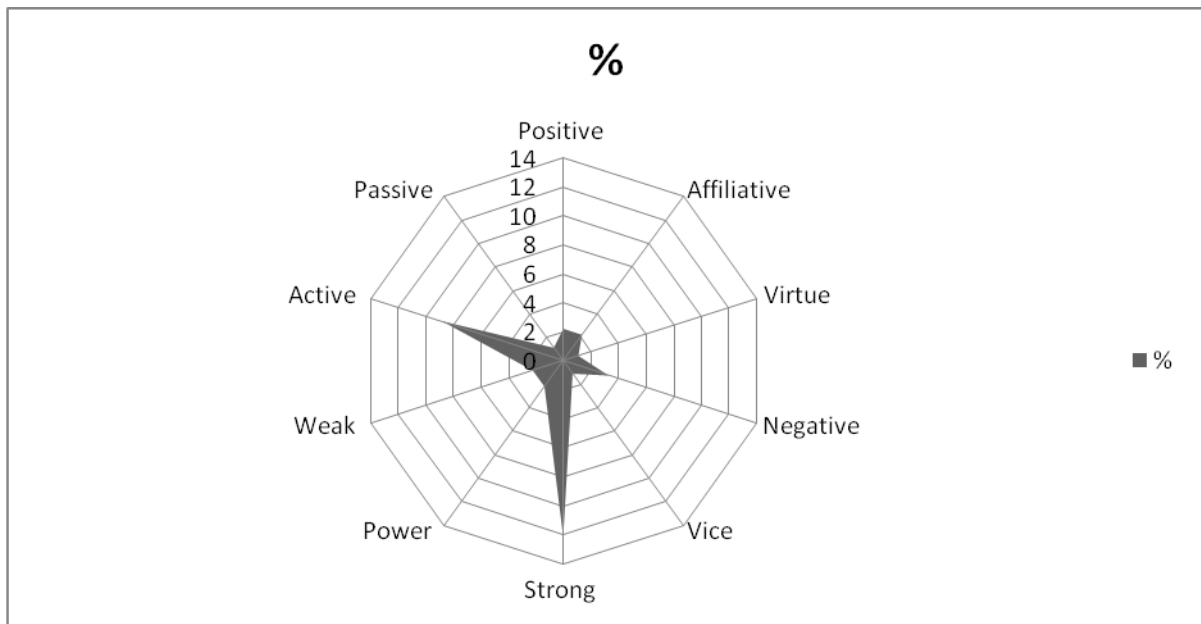
Fig 4.5.2 Graphical summary of solutions to the communication challenge

The radar chart reveals strong and active suggestions on how to deal with the communication challenge. Strong words had the highest frequency of 12.09%. Active words had a frequency of 8.79%.

4.6 Company values

Usually, company values and beliefs are a reflection of its philosophy and are contained within the mission statement. They shape the strategic direction of the decision-makers in managing the company. Unfortunately many statements of company philosophy are often so similar and platitudinous that they read more like public relations handouts than the commitment to values they are meant to be (Pearce / Robinson, 2000).

Interviewees were asked to state how company values were useful to their work. Three of them indicated that the company values were useful as they shaped the direction of the

company, instilled discipline, enhanced teamwork and commitment, and controlled official behaviour hence shaping the direction of the company. A graphical summary of analyzed responses was as shown in figure 4.6.
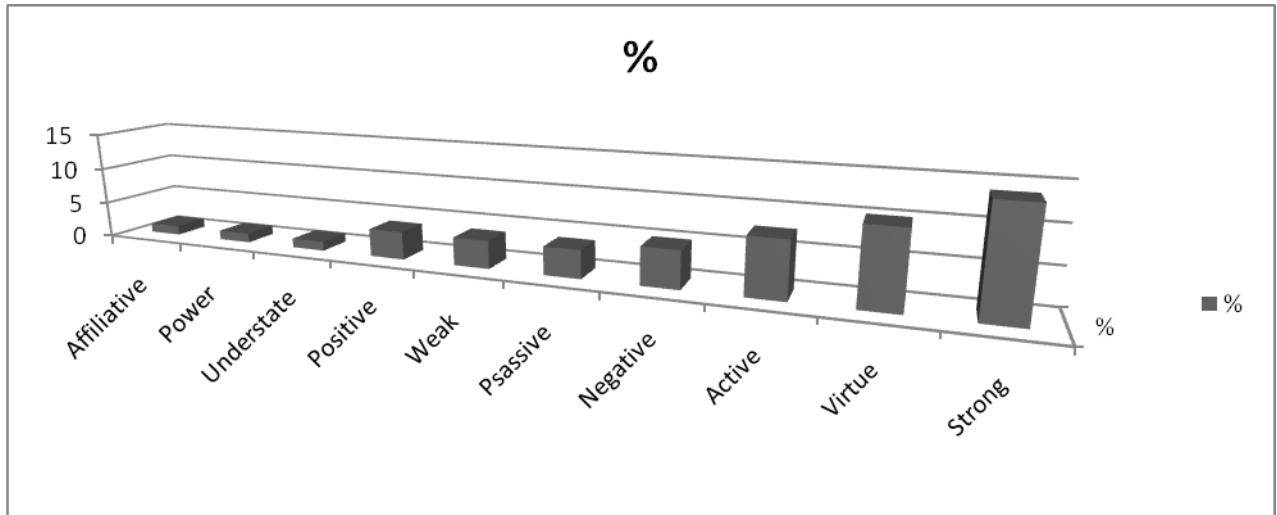
Fig 4.6 Graphical summary of usefulness of company values

 Responses to usefulness of company values were strong but negative. Strong words had the highest word frequency amounting to 13.92%. These strong words were used by three interviewees to mention the importance of company values to their work. The responses also reflected virtues and activity. This importance paints a strong influence of values to strategy implementation. However, the negativity arises from the fact that the values were not fully practiced, as specified by the other five interviewees. Negative words had a frequency of 5.06%.

4.7 Resources

SWOT analysis can be used in many ways to do strategic analysis (Pearce / Robinson, 2000). Resource scarcity is a weakness to a firm because it limits the firm's effective performance. Resources of a firm may take the form of physical resources, human resources, financial

resources and other intangibles such as goodwill, brand names and trademarks among others. Resource-based theory suggests that resources of a firm are the result of ordinary managerial actions (Mills, Platts, Bourne & Richards, 2002). Normal managerial actions affect the supply of resources to a firm and the level of competence and performance such resources bring about. Managerial actions can lead to intentional acquisition, improvement or even waste of a firm's resources.

4.7.1 Human Resources

Human resources comprise of skills, know-how, strong teams and good management (Macmillan & Tampoe, 2000). The interviewees cited the need for training to improve their skills in various areas including the following: coxswain training, management courses and seminars, hardware maintenance, risk management, training in corporate governance and marine engineering, training in report-writing, higher training in engineering technology and administration. Shortages were reported for deck hands and ramp controllers in operations section, engineers in the engineering section and HR personnel in the HR section.

Five of the respondents stated that they belonged to work teams while three did not belong to any. They cited formal committees as the workgroups such as tender committee, drugs and alcohol sensitization committee, works committee and ISO 9001 implementation committee. Other work teams that existed in the company were mentioned as comprising disposal committee, HIV prevention committee, welfare committee, valuation committee, corruption prevention committee, advertisement committee and various ad-hoc committees. Existence of these committees was evidence of collective/ group decision-making.

Interviewees mentioned several factors that threatened team spirit in the company. These included laxity by top management to recognize and support efforts and tribalism and rigidity to change by some members of staff. They also mentioned lack of commitment, recycling of work groups and biased treatment among employees. A graphical summary of analyzed responses was as shown in figure 4.7.1.1.
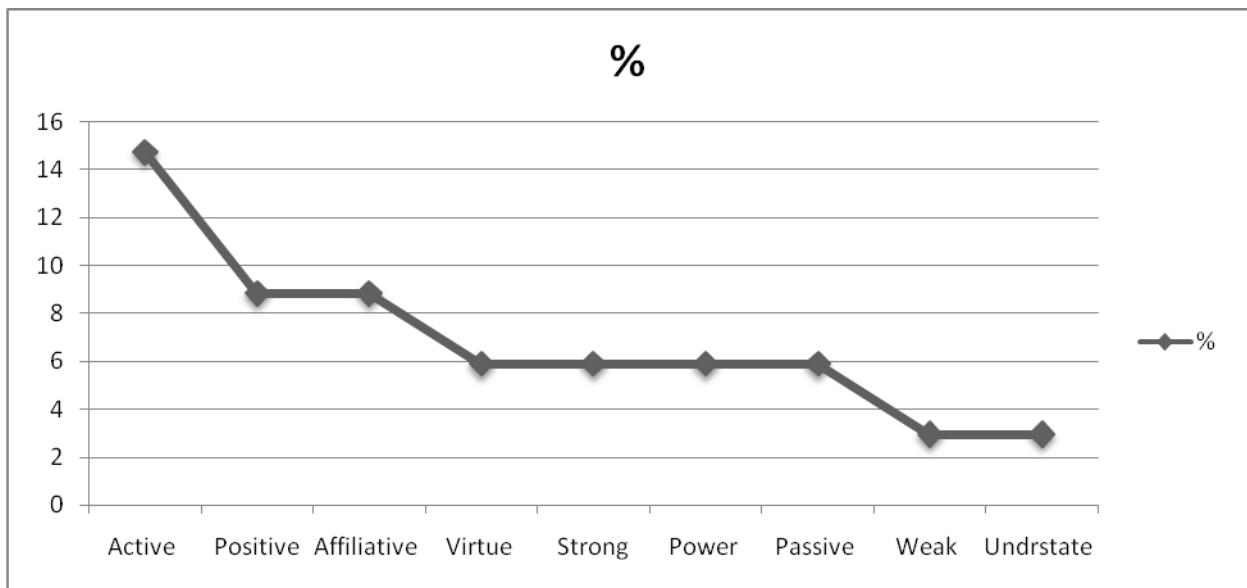
Fig 4.7.1.1 Graphical summary of factors that threatened team spirit

Analysis as summarized in the line chart indicates that factors which threatened team spirit were action-oriented such as management of change, biased support and lack of commitment. Active words had the highest frequency of 14.71%.

Several ways were suggested by the interviewees on how to boost team spirit in the company. Responses received included organizing and implementing team-building activities. Others included giving allowances, participating in exchange and benchmarking activities, diversifying membership of workgroups and avoiding biased treatment among employees. Interviewees also suggested rewarding teamwork and emphasizing the need for teamwork in meetings. A graphical summary of analyzed responses was as shown in figure 4.7.1.2.

%
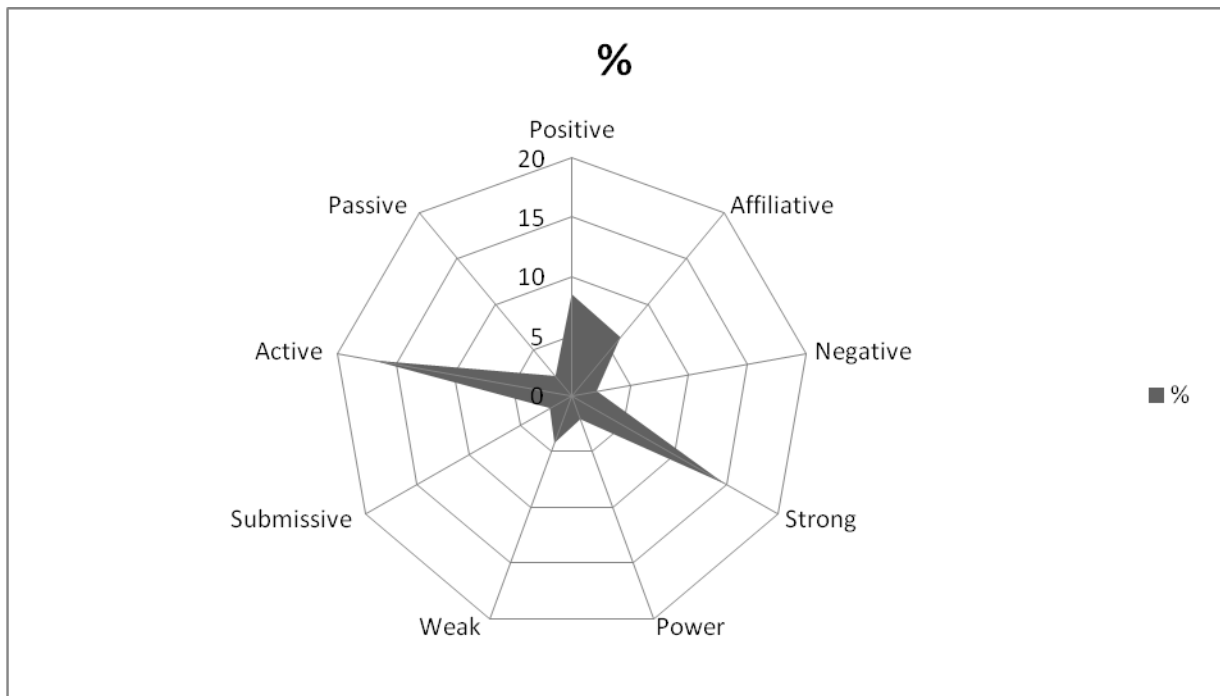
Fig 4.7.1.2 Graphical summary of how to boost team spirit

The responses favoured a proactive and strong approach by management towards boosting team spirit. Active words had the highest frequency of 17.02%. Strong words amounted to 14.89%.

By the time this study was being conducted, all the eight interviewees indicated that there was no formal individual performance appraisal method in place. They suggested introduction of a formal performance appraisal method to be used in assessing individual performance as one way of improving strategy implementation and general success of the firm. A graphical summary of analyzed responses was as shown in figure 4.7.1.3.
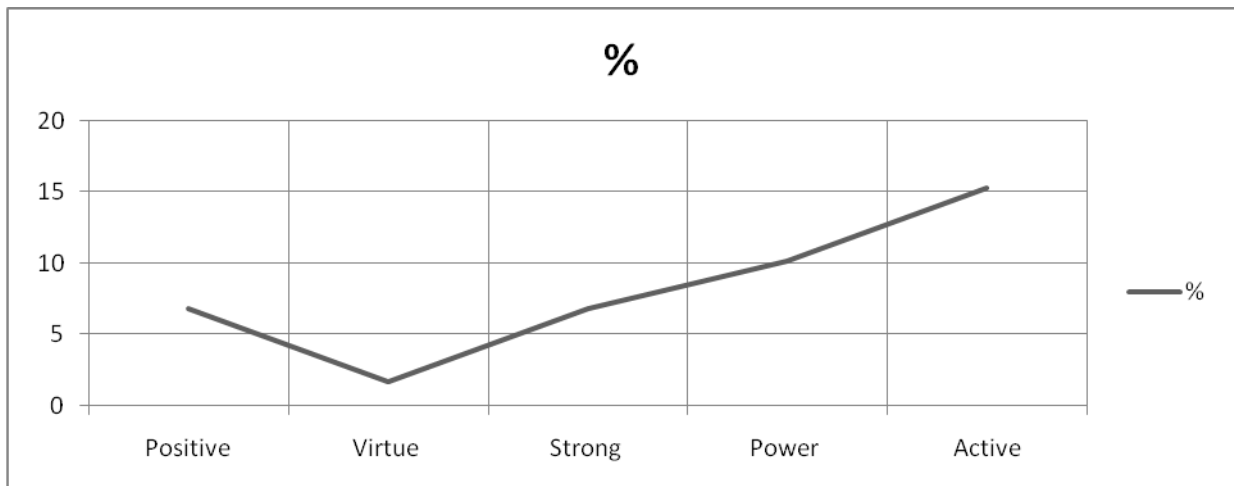
Fig 4.7.1.3 Graphical summary of suggestion for performance appraisal

Going by the readings on the line chart above, active suggestions were given for introduction of a formal performance appraisal system. Active words had the highest frequency of 15.25%. Such introduction would enable management to effectively exercise power to control performance.

Three out of the eight interviewees were satisfied with the salaries they were getting while five were not satisfied at all. To motivate them more, the interviewees came up with several suggestions including improving or increasing salaries and other benefits to match the rising cost of living. They also wanted the issue of career progression to be addressed by the company through proper policy formulation. They expressed the need for more training in form of seminars and workshops so as to continuously improve their skills. A graphical summary of analyzed responses was as shown in figure 4.7.1.4
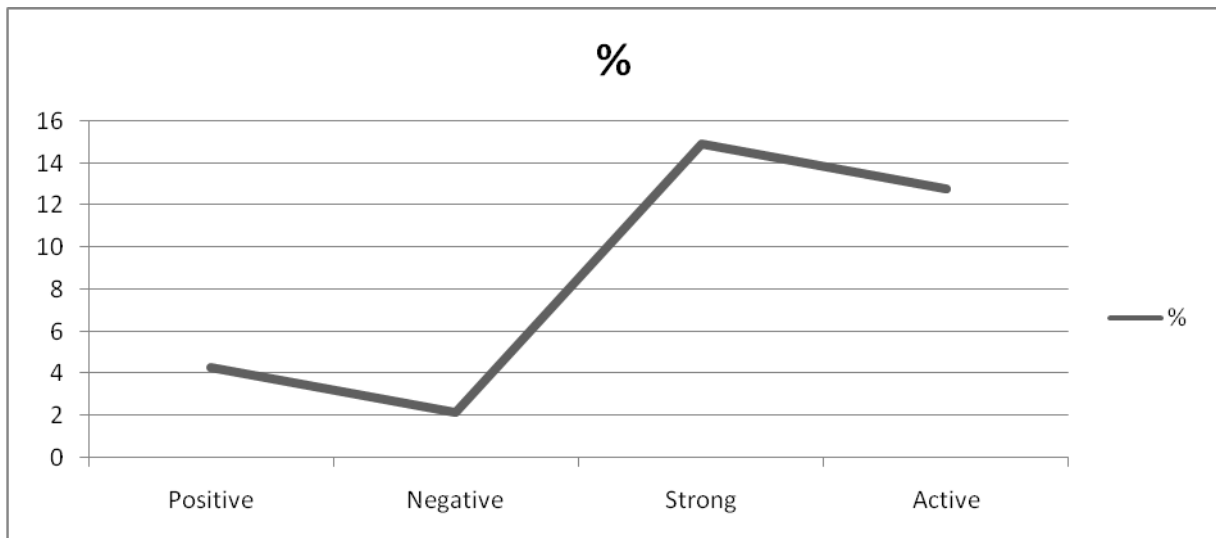
Fig 4.7.1.4 Graphical summary of suggested ways of motivation

The line chart above indicates that the suggestions for motivation were directed towards a strong and active approach. Strong words had the highest frequency of 14.89%. Active words had a frequency of 12.77%.

Interviewees were required to give the effects of gaps in company policy on them. The effects were explained as lack of knowledge on how the employees could progress upwards (uncertainty) career wise, leading to low morale. Other reported effects included low motivation, delayed decision-making and communication breakdowns. Ultimate results were indicated as employee resentment and high labour turnover. A graphical summary of analyzed responses was as shown in figure 4.7.1.5.
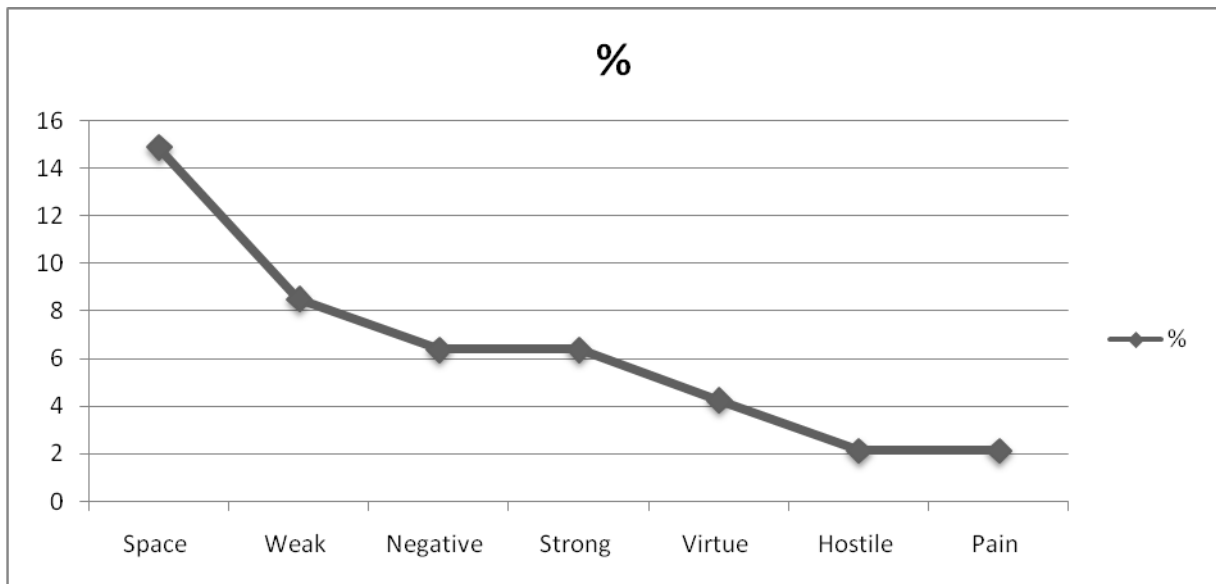
Fig 4.7.1.5 Graphical summary of the effect of gaps in company policy

Low morale and high labour turnover were the most frequently mentioned effects resulting from gaps in company policy. *Low* and *high* are classified as words of space and they amounted to 14.89%. Words signifying weakness had a frequency of 8.51%. Gaps in policy were a weakness to the firm.

Interviewees were asked to suggest improvements on company policy. Suggested improvements included putting more emphasis and clarity on employee benefits to boost morale. It was also suggested that the company should have come up with a HR policy on staff deployment and career progression from within. Suggested improvements on company policy were strong and positive as shown by the analyzed summary in figure 4.7.1.6.

Fig 4.7.1.6 Graphical summary of suggested improvements on company policy
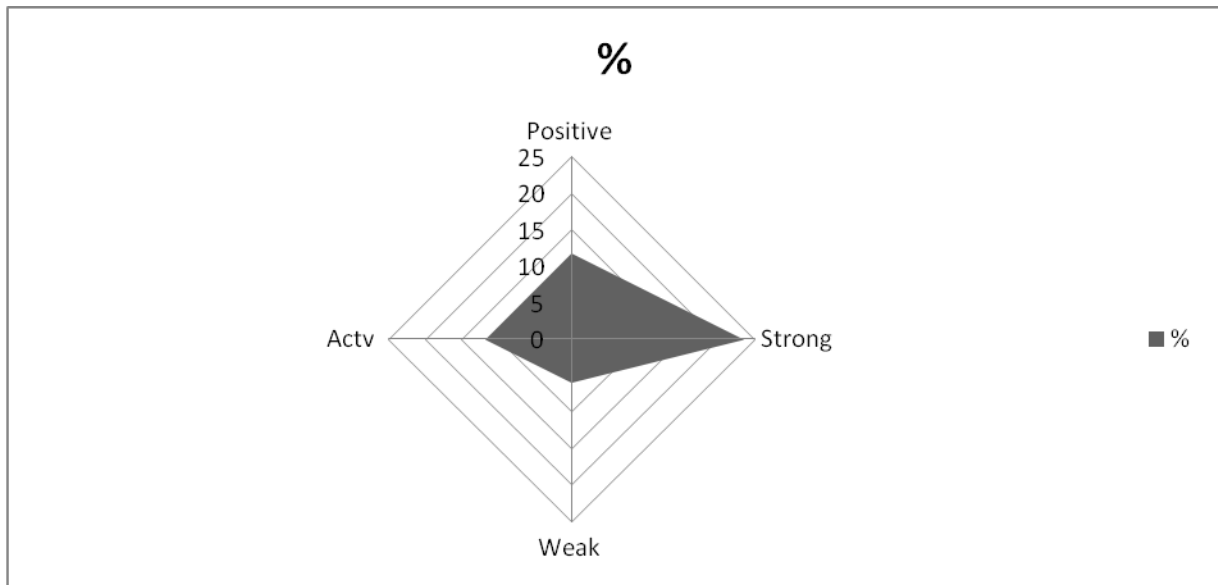
The radar chart indicates that the suggested improvements on company policy were strong and positive. Strong words had the highest word frequency of 23.53%. Positive words had a frequency of 11.76%.

4.7.2 Physical and Financial Resources

Shortages were reported by all the eight interviewees, being an indication that the shortages were a strong challenge within the company. Concern was high about the procurement procedure which was described as tedious and bureaucratic. Shortages mentioned by respondents included lack of protective clothing for coxswains, lack of adequate computers, inadequate office accommodation, lack of an audit budget, lack of equipment, inadequate space and faulty phones. Other shortages mentioned included lack of specialized equipment such as cranes which the company was obliged to hire from time to time, need for human resources management software and inadequate financial resources that made it difficult to increase salaries. Also mentioned were Shortages of stationery and other useful equipment.

Generally, the responses were strong and negative. A graphical summary of analyzed responses was as shown in figure 4.7.2.

Fig 4.7.2 Graphical summary of supply of physical and financial resources
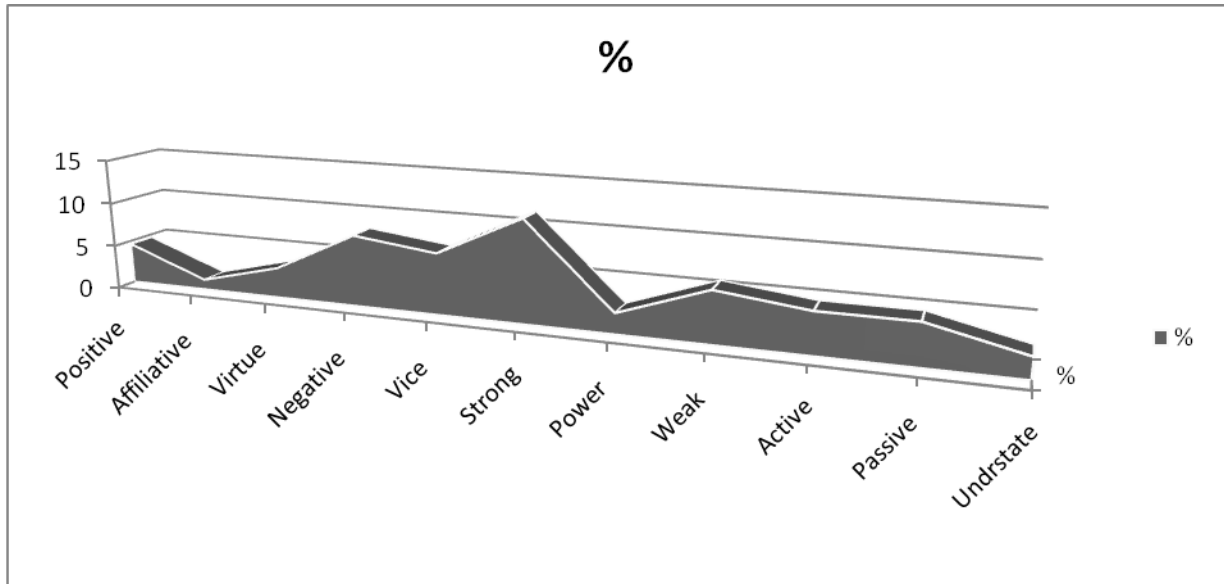
The area chart shows that the responses to the supply of physical and financial resources were strong and negative. Strong words had the highest frequency of 11.49%. Negative words had a frequency of 8.5%.

4.7.3 Information and Technology

Out of the eight interviewees, five indicated that it was easy to get relevant and timely data or information required for their work. One of them found it very easy, one found it moderately easy while one interviewee did not find it easy.

Interviewees gave several suggestions on how to improve information storage and retrieval. Responses included more training in IT for employees, establishment of a central registry, a

library and more computerization of records. They also suggested availing of more information in soft form to facilitate easy sharing and faster processing. Other suggestions included establishment of a library, establishment of internal computer networks and more training of employees on information technology usage or application. A graphical summary of analyzed responses was as shown in figure 4.7.3.
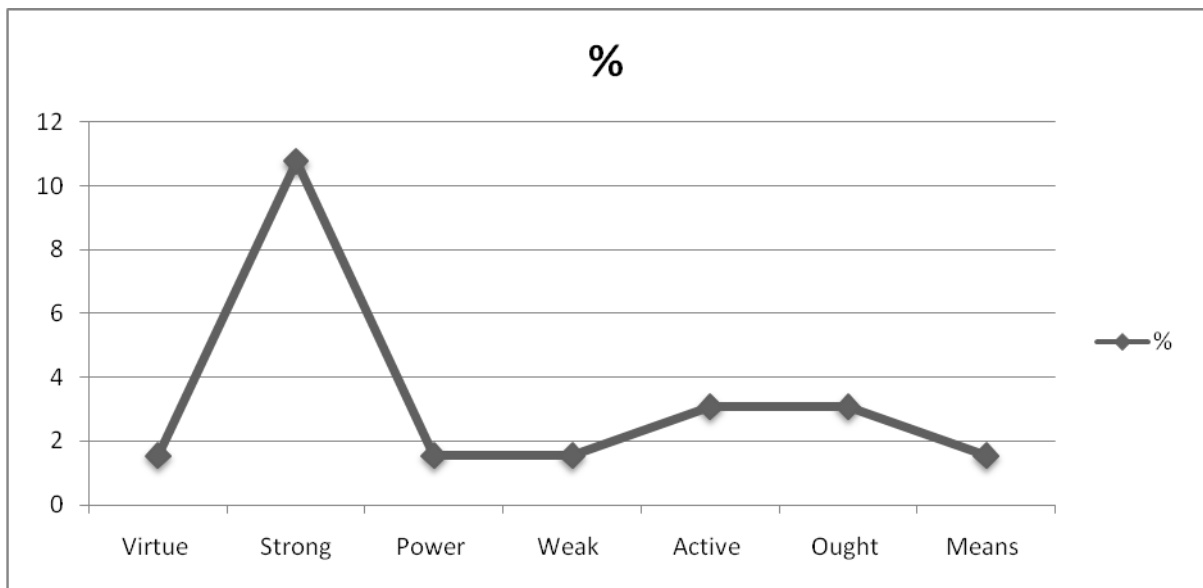
Fig 4.7.3 Graphical summary of how to improve information systems

Suggestions on how to improve information storage and retrieval systems were strong. Strong words had the highest frequency of 10.77%.

4.8 Change Management

Today, to manage strategy is frequently to manage change (Mintzberg and Quinn, 1988). This involves recognizing when a shift of strategic nature is possible, desirable, and necessary. This is followed by putting into place mechanisms for continuous change.

Changes that were mentioned as difficult to introduce and manage, leading to resistance included Scrapping of overtime payment in a bid to cut down costs and company reorganization. Employees feared loss of extra income in terms of overtime pay and loss of jobs. A graphical summary of analyzed responses was as shown in figure 4.8.1.
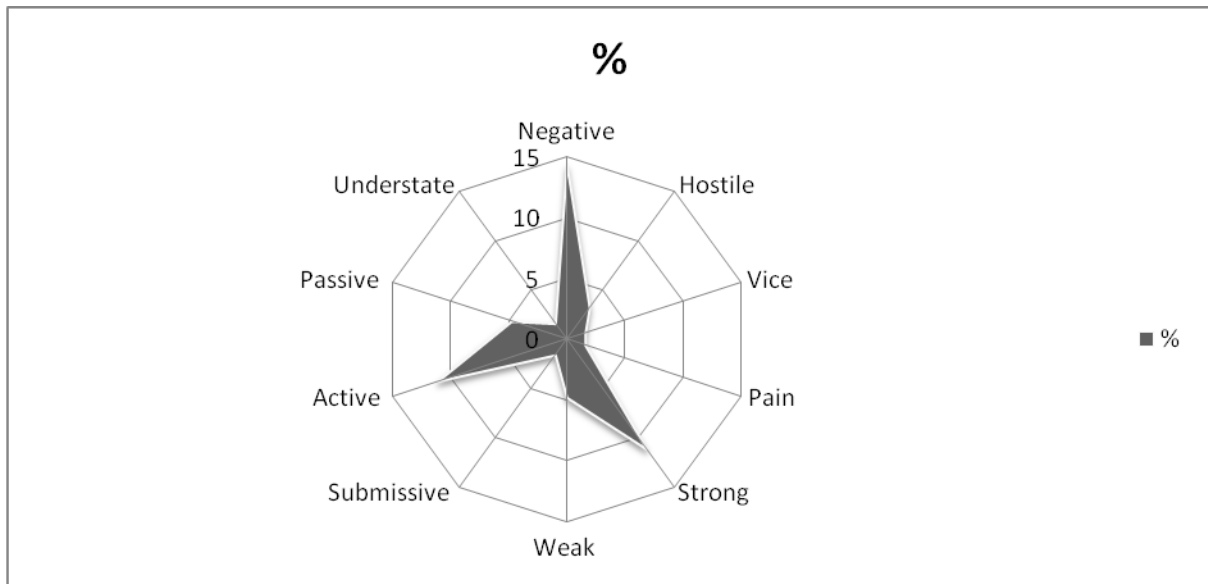
Figure 4.8.1 Graphical summary of response to changes.

The radar chart above indicates negative but strong orientation because of the way the employees perceived the new changes. The perception was negative as indicated by words such as *fear* and *lose* in interviewees responses. Negative words had the highest frequency of I4.29%, due to the negative perception the employees had towards these changes. Strong words had a frequency of 11.11%.

Interviewees were asked what they liked most about the company, to gain insight about their enthusiasm in the company. Three respondents indicated excitement with the uniqueness of the ferry business, being a moving bridge. One respondent was excited about unrestricted guarantees the company gave on bank loans, one was excited about the offices while one was

excited about staff commitment and the services the company offered to the public. One indicated that the company was a good employer. One indicated liking of the fact that KFS was a small organization yet it carried out essential public service adequately. A graphical summary of analyzed responses was as shown in figure 4.8.2.
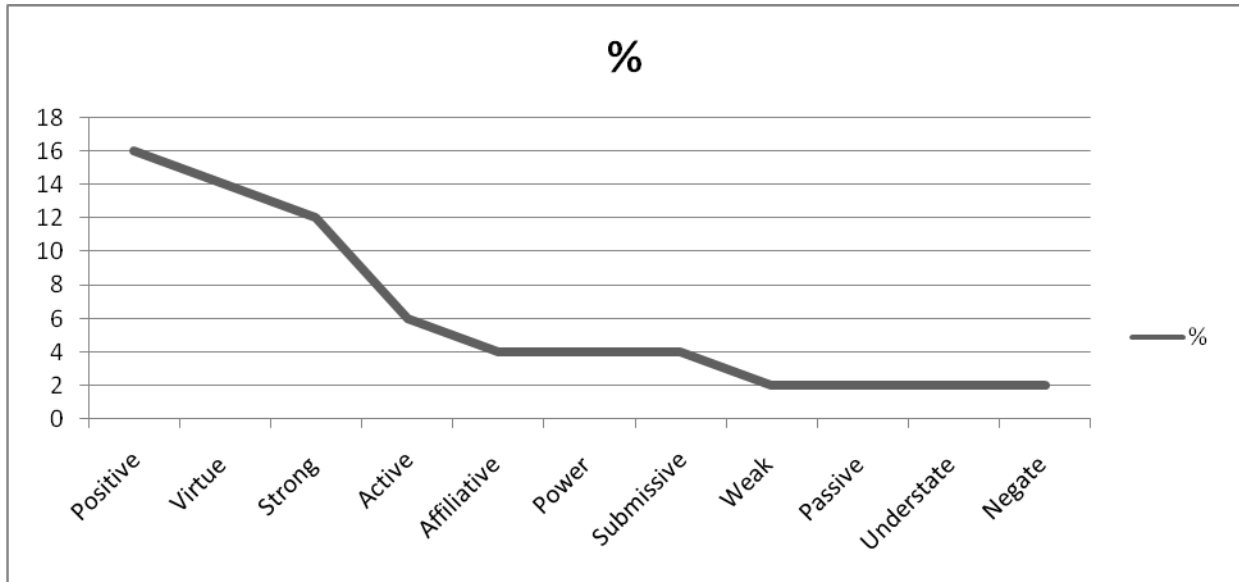
Fig 4.8.2 Graphical summary of enthusiasm in the company

The line chart indicates positive and strong responses. Likeable attributes dominated the responses amounting to a positive word frequency of 16%. This indicates that interviewees were generally enthusiastic about the company, a necessary condition for strategy implementation.

Interviewees mentioned several changes they preferred to see implemented. Responses received included boosting expansion of ferry operations, increasing salaries, government allowing KFS to charge commercial tariff rates and even charge pedestrians. Others included tying up rewards to performance, training and developing employees from within instead of over-relying on external supply. Other suggestions included establishment of a clear career

progression policy, more commitment and support from top leadership. Generally, more emphasis pointed towards motivation of employees. A graphical summary of analyzed responses is as shown in figure 4.8.3.
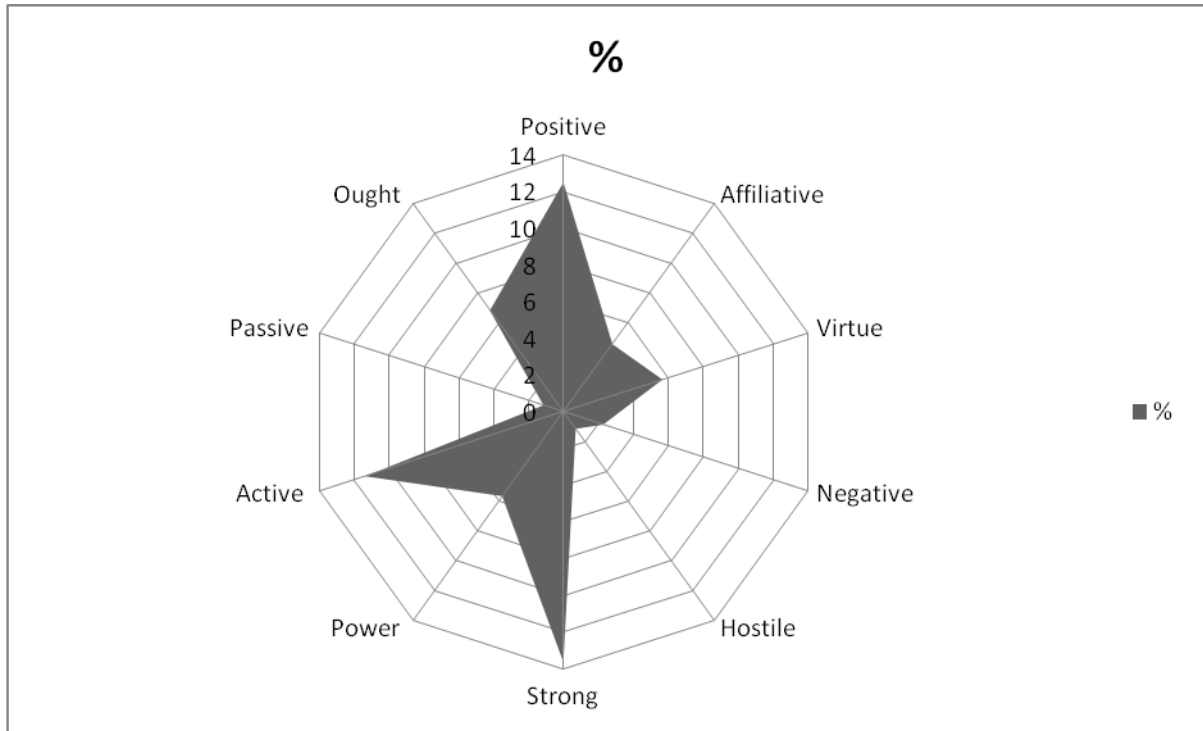
Fig 4.8.3 Graphical summary of changes expected by staff

The radar chart shows that interviewees had a strong and positive expectation of support from top management towards their welfare among other mentioned expected changes. Strong words had the highest frequency of 13.64%. Positive words had a frequency of 12.5%.

4.9 Other Challenges

These included limited finances making it difficult to expand ramps, procurement procedures which delayed speedy processing and delivery of supplies such as tools and other requirements, political interference, government bureaucracy, financial difficulties and resistance to change. A graphical summary of analyzed responses was as shown in figure 4.9.
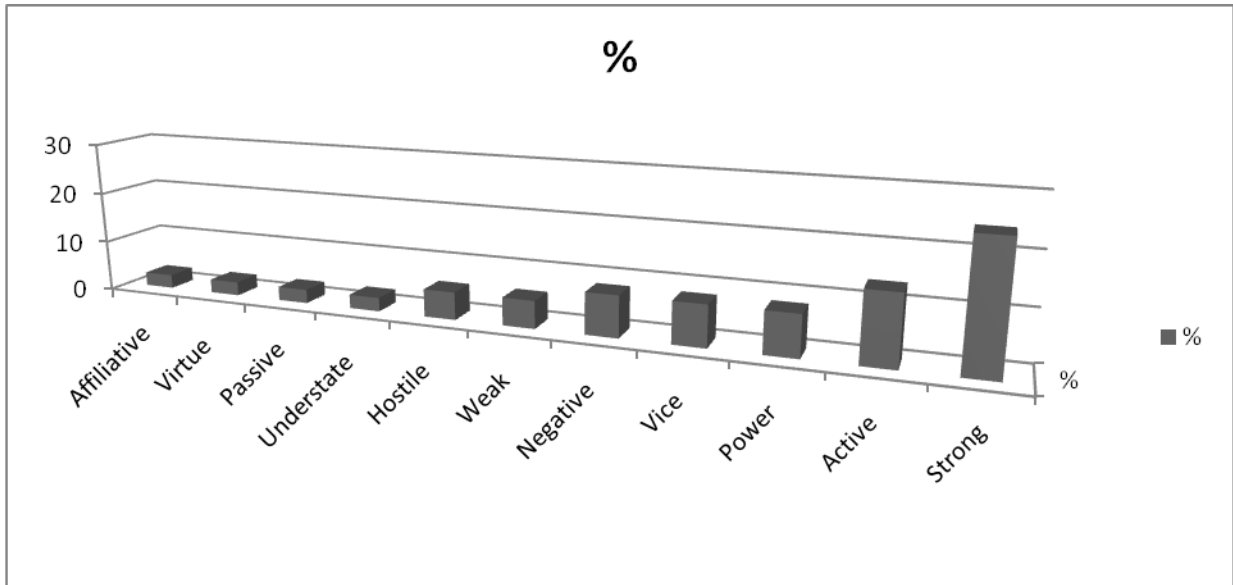
Fig 4.9 Graphical summary of other challenges

The mentioned challenges were strong, active and negative. Strong words had the highest frequency of 24.92%. Active words had a frequency of 13.51%. Negative words had a frequency of 8.11%.

As a further consequence of the challenges mentioned above, satisfying the increased demands for safe, reliable, efficient and secure ferry services remained a challenge to the company. This problem was compounded by financial limitations of the company. Furthermore, reconciling commercial and financial objectives of the company with the government social obligation also remained a big challenge to the company. This was because whereas the company aimed at strengthening its revenue bases, it was still expected to offer free services to pedestrians crossing the channel via ferry link as a social obligation. Financial challenges also made it difficult to finance asset replacement and operational cost to meet the increasing customer needs and expectations. Prosecution mechanism for vehicles which were not roadworthy and other ferry users also posed a challenge to the company. It

was also challenging for the company to retain and develop competent staff who quit their jobs in the company in search of greener pastures.

The company also found it challenging to cope with the impact of HIV/AIDS pandemic and to sustain social cohesion among its staff. The company required an enabling legal framework to facilitate achievement of its strategic objectives because as by the time this study was being done, such a framework was still lacking. It was still a challenge to sustain best practices in corporate governance. This made it difficult for the company to continuously maintain and manage a credible public image. Likewise, it was challenging to develop and install an efficient and appropriate information technology infrastructure due to technical and financial constraints.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

This study revealed several challenges to strategy implementation at Kenya Ferry Services Limited. The researcher classified these challenges into two broad categories namely Micro organizational challenges and macro-organizational challenges respectively. Micro-organizational challenges are factors that pertained to the behaviour of individuals within the organization. It was difficult for the company to uphold a credible public image. Resistance to change was the other factor, making it difficult for the company to implement cost-cutting strategies. There was also low level of coordination and relationships building among departments, making it difficult for the company to uphold social cohesion among its workforce. The result of this was low teamwork, a negative factor to successful strategy implementation.

Macro-organizational challenges were large-scale issues that affected many people within the organization. The company lacked an enabling legal framework to implement its strategies. It also suffered from financial constraints making it difficult to carry out asset replacement and upgrading, salary increments and periodic procurement of other physical resources. This led to low morale among employees resulting to high labour turnover. Financial constraints also made it difficult for the company to expand and upgrade its information systems. The organization structure required restructuring as one way of enhancing strategy implementation. Preference for centralized decision-making was high, although decentralized was also used. Concern was also raised about an outdated staff manual. This manual was blamed for uncertainty in career progression and lack of a formal appraisal method for individual performance. Communication was also mentioned as a challenge within the company. This problem was attributed to lack of a structured communication policy. It was indicated that the bigger part of communication was verbal, leading to widespread grapevine.

Also mentioned was the fact that Kenya Ferry Services Limited had not been given the necessary leeway to freely determine crossing toll rates. This was compounded by the difficulty in reconciling the company's commercial objectives with the government social responsibility of offering pedestrians free crossing via ferry channel. The company also found the HIV/AIDS pandemic to be a big threat to its workforce.

5.2 Limitations of the Study

Interviewees were very cooperative in responding to the interview questions. However, time available for them to give deeper and more elaborate explanation was limited. As a result, they preferred to give brief responses. Some even had to create time over and above their normal work schedule just for purposes of this study.

Interviewees were also careful not to give information which in the opinion of the company could be viewed as sensitive and unsuitable. In this regard, they picked their words carefully. However, this did not prevent them from giving information that they perceived factual and necessary. All in all, cooperation from them was good.

5.3 Conclusions

Financial limitation emerged to be the biggest challenge to strategy execution leading to a myriad of other challenges such as shortage of essential supplies, constrained service delivery, low motivation and high labour turnover among staff. The challenge of offering absolutely free ferry services to pedestrians emerged to be organization-specific. The

company appeared to be torn in between full commercialization to boost its revenues and offering absolutely free crossing to pedestrians using its ferries, as a corporate social responsibility. The rest of the challenges appeared to be more general when compared with findings of earlier researchers cited in the literature review.

There is no single organization that finds strategy execution to be an absolutely smooth and easy as play business. Each and every organization will always experience challenges in one way or the other depending on the nature of its business, market forces and other environmental factors at play. Important aspects are the lessons that a particular organization is able to draw from the challenges that it is facing. These challenges can then be tackled through continuous learning and improvement measures spearheaded by a proactive management team.

5.4 Recommendations

Most of the recommendations were suggested by the interviewees. Stronger coordination and relationships-building among functional units was required as one way of boosting success of strategy implementation. It was equally important to revise the company's organization structure for better alignment with company strategies. More decentralization of decision-making was necessary to achieve wider consensus-building. The company also needed to formulate clearer policies to guide communication and human resource practices. Company values required to be fully institutionalized more and practiced as an important aspect of its culture, as one way of regaining a credible public image and improving service delivery.

It was necessary for the company to strategize on more ways of expanding its revenue bases as one way of creating a sufficient pool of funds to finance asset replacement, expansion, motivation and investment in modern technology. It was also important to streamline procurement procedures to reduce bureaucracy and to make them more supportive to the strategy implementation process. It was necessary for the company to invest more in team-building among all its employees to create strong and positive relationship building and promote social cohesion. It was also important for the company to introduce a performance appraisal system that could effectively assess the input of each and every employee. Better mechanisms were required for managing change to reduce resistance and increase success of strategy implementation. Negotiation with government was necessary for a more agreeable solution on the necessary regulatory and legal framework. Also important was the need to increase sensitization about the AIDS scourge and address the issue through appropriate administrative and policy interventions.

5.5 Suggestions for Further Research

It would be interesting for a study to be conducted on the effect of managers' personalities on strategy implementation. Likewise would it be important to study their preferred management styles and how these impact on strategy execution. This is because just like products, managers are also branded in the corporate world. The corporate world has managers who are best recognized for influencing corporate success through transformative leadership. Such managers are considered to be strong brands in the professional industry and are sometimes called upon to turn around companies or to rescue critical corporate conditions.

Future researchers should also consider studying the impact of performance contracting to the performance of state corporations in Kenya. Performance contracting is aimed at increasing transparency and accountability for better results. This would help in understanding whether performance contracting has added value to service delivery in the public sector agencies or not. If these contracts have not added value then subsequent studies could be conducted to find out why this is so.

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SECTION A: Details of Respondents

Your position...

Your department...

Number of years you have worked in this company...

SECTION B: Challenges to strategy implementation

1   (a) How does your section/department contribute to the strategic objectives of this company?

   (b) How does top management influence implementation of these objectives?

2   (a) Are the reporting and accountability relationships on the company's organization structure fully supportive to your work?

   (b) Which improvements would you recommend on the organization structure?

3   (a) Which decision-making style is mostly preferred and used in this company?

   (b) Why is it the most preferred decision-making style?

   (c) Which improvements would you recommend on decision-making style?

4   (a) List down any issues that you feel are not fully addressed, but need to be addressed by company policy.

  (b) If any, how do the issues mentioned in 4(a) above affect you?

  (c) Suggest any other improvements on company policy.

5   (a) List any factors that hinder that free flow of information:

   (i) Within the organization (top-down and between departments).

(ii) Between the organization and external parties.

(b) Suggest ways of improving communication within and outside the organization.

6   (a) Are you satisfied with the salary and other benefits that the company gives you?

(b) Which improvements would you suggest to to motivate you more?

7   (a) How easy is it for you to get relevant and timely data or information

required for your work?

(b) What do you suggest the company needs to do to improve storage and retrieval of

information?

(c) How is your work measured and evaluated?

(d) Which improvements do you suggest on work measurement and evaluation?

8   (a) Do you belong to any formal work team/group?

If yes, state which one?

(b) Indicate any other work teams that exist in the company.

(c) Which factors have you observed that threaten team spirit in the company?

(d) Suggest any improvements to boost team spirit.

9   How do company values support your work?

10 (a) In which areas do you need additional training to improve your productivity?

11 (a) Indicate any staffing deficiencies in your department.

(b) State any deficiencies experienced in terms of tools, materials, equipment, technology and financial support for your work.
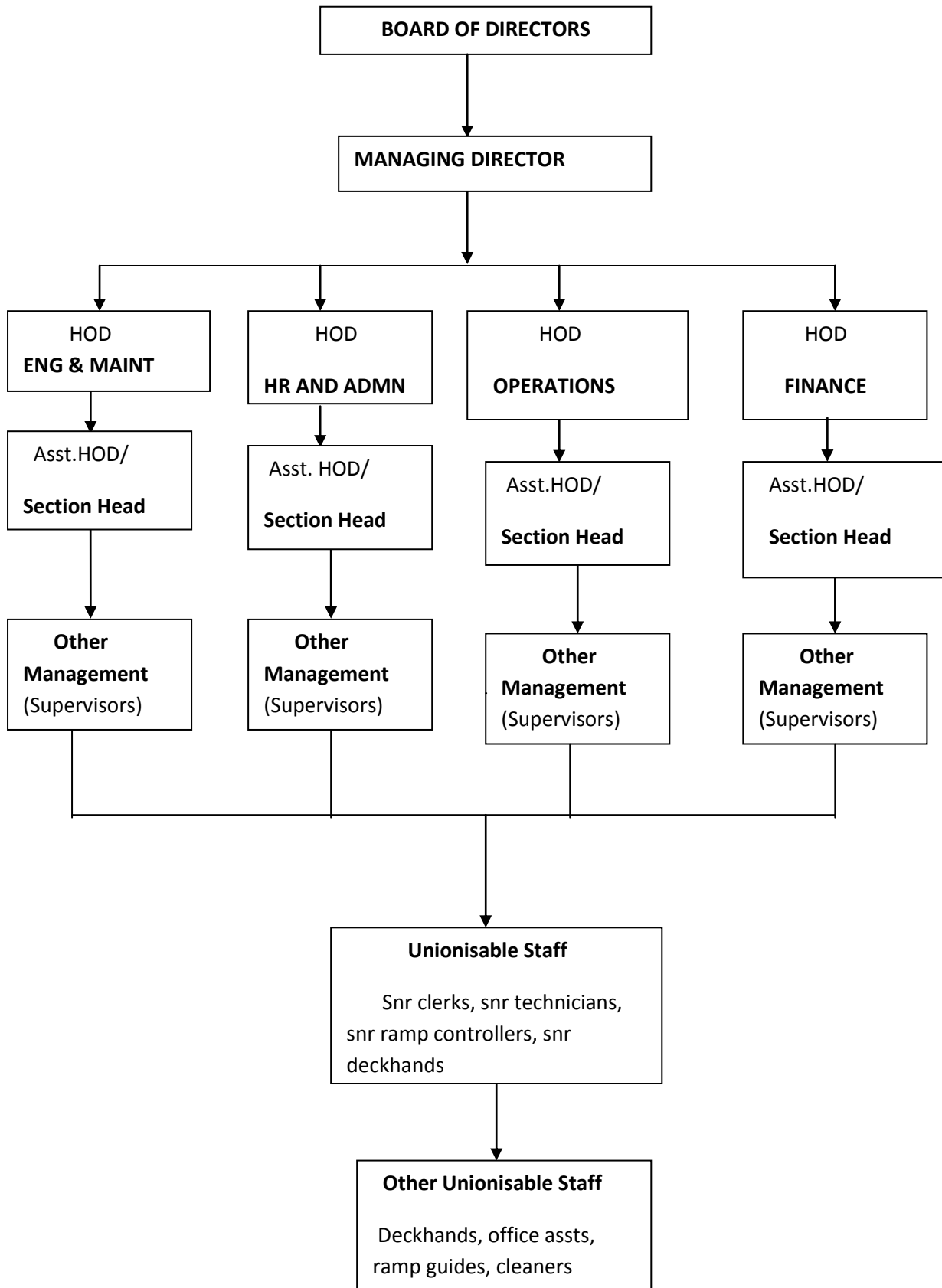
12 Mention any changes that have been difficult to introduce and manage in this company.

13 What do you like most about Kenya Ferry Services?

14 What would you like to see done differently?

15 Indicate any other factors that make it difficult for you to meet your performance targets.

APPENDIX II : ORGANIZATION STRUCTURE OF KENYA FERRY SERVICES

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                        ┌─────────────────────┐
                        │  BOARD OF DIRECTORS  │
                        └─────────────────────┘
                                   │
                        ┌─────────────────────┐
                        │  MANAGING DIRECTOR   │
                        └─────────────────────┘
                                   │
        ┌──────────────┬───────────┴───────────┬──────────────┐
        │              │                        │              │
┌───────────────┐ ┌───────────────┐ ┌───────────────┐ ┌───────────────┐
│ HOD           │ │ HOD           │ │ HOD           │ │ HOD           │
│ ENG & MAINT   │ │ HR AND ADMN   │ │ OPERATIONS    │ │ FINANCE       │
└───────────────┘ └───────────────┘ └───────────────┘ └───────────────┘
        │              │                    │                │
┌───────────────┐ ┌───────────────┐ ┌───────────────┐ ┌───────────────┐
│ Asst.HOD/     │ │ Asst. HOD/    │ │ Asst.HOD/     │ │ Asst.HOD/     │
│ Section Head  │ │ Section Head  │ │ Section Head  │ │ Section Head  │
└───────────────┘ └───────────────┘ └───────────────┘ └───────────────┘
        │              │                    │                │
┌───────────────┐ ┌───────────────┐ ┌───────────────┐ ┌───────────────┐
│ Other         │ │ Other         │ │ Other         │ │ Other         │
│ Management    │ │ Management    │ │ Management    │ │ Management    │
│ (Supervisors) │ │ (Supervisors) │ │ (Supervisors) │ │ (Supervisors) │
└───────────────┘ └───────────────┘ └───────────────┘ └───────────────┘
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Unionisable Staff

Snr clerks, snr technicians, snr ramp controllers, snr deckhands

Other Unionisable Staff

Deckhands, office assts, ramp guides, cleaners

APPENDIX III: DETAILS OF INTERVIEWEES

Department	Job Designation	Numbers to be interviewed	Total Respondents
1. Managing Director's office	Chief Internal Auditor	1	
	Procurement Manager	1	
	Marketing and Corporate Affairs Officer	1	
	Executive Assistant	1	4
2. Engineering and Maintenance	Acting Chief Engineer	1	1
3. Human Resources and Administration	Human Resources and Development Manager	1	1
4. Operations	Operations Manager	1	1
5. Finance	Financial Controller	1	1
Grand Total of Interviewees			8

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