CHALLENGES OF STRATEGY IMPLEMENTATION IN SUPERMARKETS IN NAIROBI, KENYA

BY

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DECLARATION

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

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

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DEDICATION

This research is dedicated to my mom and late father, and other family members for their continued support and encouragement through the period of the study.

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Lastly I would like to thank the almighty God who made everything possible.

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ABSTRACT

Strategy implementation is an emerging area of study, and not much has been researched on it. Prior studies have been mostly concentrated on the strategy development process. A good strategy and good strategy implementation are the most trustworthy signs of good management. The better conceived a company's strategy and the more competently it is executed, the more likely that the company will be a standout performer. A number of factors have led to the growth of supermarkets in Kenya namely liberalization of trade, the increase among the city population and effective and efficient retailing system. With the increasing number of supermarkets, Kenya retail sector has become very competitive as the number of supermarkets and other retail small scale retail outlets increase. This study sought to answer the questions; what are the challenges of strategy implementation in supermarkets in Nairobi, Kenya, and what measures has the supermarkets taken to deal with these challenges? The study comprised of a total of 173 supermarkets in Nairobi, Kenya, a sample size of 30 supermarkets was selected using simple random sampling technique, and a questionnaire administered to the respondents on a drop and pick later method. Out of the 30 respondents targeted, 25 respondents completed and returned the questionnaires for analysis. The findings were varied and it could be concluded that the supermarkets were mainly owned by small investors, individually owned, and managed by employees. The various actors considered moderately affected the strategy implementation process. The measures applied to deal with the challenges were relatively applied at a great level.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

It has been observed that the retail industry is becoming more and more competitive, as evidenced by the increases in number and sizes of the outlets especially the supermarkets. The increasing services have resulted in the proliferation of chain stores and hypermarkets providing a one stop shopping experience. On the other hand other retail outlets especially the small ones have closed shop, and others merge, or are acquired by larger retail stores. The environment is rapidly changing and in order to survive in a dynamic environment, organizations corporate strategies need to focus on their customers and deal with emerging environmental challenges in managing their portfolios of instruments. This is necessary because they are environment serving (Ansoff and McDonell, 1990).

The upsurge in the number of supermarkets is as a result of the ever increasing urban population which in turn exerts pressure on the need to offer goods and services. Supermarkets have spread from the capital intermediate towns, with 58% of supermarket stores located outside of Nairobi in 2003, (Neven, 2005). The upsurge in the number of supermarkets, especially in Nairobi and other leading towns in Kenya have exerted pressure on the need to offer better goods and services. Some of the leading supermarkets have spread across the border to open stores in Rwanda and Uganda. Some of the supermarkets have diversified, and have hypermarkets with unrelated businesses offering services such as banking, pharmacies, and bill payments.

1.1.1 Concept of Strategy

Strategy is a multi dimensional concept and various authors have defined it in different ways. A company's strategy is the game plan management has for the company in the chosen market arena for competing successful, pleasing customers and achieving good business performance (Ansoff, 1987).

According to Thompson et al (2005), a company's strategy consists of all the competitive moves and business approaches that managers are employing to grow the business, attract and please customers, compete successfully, conduct operations, and achieve the targeted levels of organizational performance. There is no shortage of opportunity to fashion a strategy that both tightly fits a company's own particular situation and is discernibly different from the strategies of rivals.

Mintzberg et al (2003) defines strategy in five (5) different ways, as a plan, ploy, pattern, position, and perspective. Strategy as a plan is some form of consciously intended course of action to deal with a situation. Strategy as a ploy is a maneuver to outwit an opponent. A strategy as a position is a means of locating an organization in an environment. A strategy as a perspective is an ingrained way of perceiving the world. Strategy can also be planned, emergent, unrealized, and realized strategy. Strategy is a large scale, future oriented plans interacting with the competitive environment to achieve company objectives (Pearce & Robinson, 2011)

Johnson et al (2008), states that strategy is the direction and scope of an organization over the long-term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stake holder expectations. Strategies exist at a number of levels in an organization; it is possible to distinguish at least three levels of strategy, where the top level is corporate level strategy, and the other two are the business level strategy, and operational strategy. Because strategic decisions over arch several areas of a firm's operations, they require top management involvement. Usually only top management has the perspective needed to understand the broad implications of such decisions and to authorize the necessary resource allocations.

1.1.2 Corporate Strategy

Corporate strategy is 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, and 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 et al, 2002).

Corporate strategy consists of the kinds of initiatives the company uses to establish positions in different industries, the approaches corporate executives pursue to boost the combined performance of the set of businesses the company has diversified into, and the means of capturing cross-business synergies and turning them into competitive advantage (Thompson et al, 2008). According to Thompson et al (2008), corporate strategy is concerned with the overall scope of an organization, and how value will be added to the different parts (business units) of the organization. This could include issues of geographical coverage, diversity of products/services, or business units, and how resources are to be allocated between the different parts of the organization.

According to Mintzberg et al (2008), corporate strategy being a pattern of decision in a company is effective over long periods of time, affects the company in many different ways, and focuses and commits a significant portion of its resources to the expected outcomes, the pattern resulting from a series of such decisions will probably define the central character and image of a company, the individuality it has for its members and various publics, and the position it will occupy in its industry and markets. It will permit the specification of particular objectives to be attained through a timed sequence investment and implementation decisions, and will govern directly the deployment or redeployment of resources to make decisions effective. The better conceived a company's strategy and the more competently it is executed, the more likely that the company will be a standout performer in the market place.

1.1.3 Strategy implementation

According to Pearce & Robinson (2004), strategy implementation is defined as a set of decisions and actions that result in the formulation and implementation of long-term plans designed to achieve organizational objectives. Implementation is an important component of the strategy planning process; it has been defined as the process that turns strategies and plans into actions to accomplish objectives (Pride and Ferrell, 2003). The strategy implementation task is to convert the strategic plan and get on with what needs to be done to achieve the vision and targeted objectives (Thompson & Strickland, 1998). Strategy implementation normally faces numerous challenges especially in the turbulent environment, which need to be addressed on a continuous basis in order to attain the long-term objectives.

Faulty implementation can make a sound strategic decision ineffective and a skilled implementation can make a debatable choice successful and so it is important to examine the process of implementation (Andrews, 1987). David (1997), stated that 10% of the formulated strategies are successfully implemented, while 90% of well formulated strategies fail at implementation stage. According to Pearce & Robinson (2004), the reasons that have been advanced for the success or failure of strategy implementation revolve around the nature of the strategy itself, the policies, and support systems, alignment of the strategy to the short-term objectives and sub-strategies, the allocation of resources, the fit between structure and strategy, leadership, communication process and organization culture. The notion of strategy implementation might seem quite straightforward; a strategy is formulated and then implemented. To the contrary, transforming strategies into action is too far complex, difficult and a challenging undertaking, and therefore not as straightforward as one would assume (Aaltonen & Ikavalko, 2001). Organizations today face major unpredictable changes that make strategy implementation more difficult and complex than in the past (Harvey, 1998). He pointed out that 80% of organizations directors believe that they have a good strategy, but only 14% believe that they implemented them well.

According to Mintzberg (1987), strategy implementation is an internal operations driven activity involving budgeting, motivating, culture building, supervision, and leading, to make the strategy work as intended. Implementing strategy involves: creating fit between the way things are done, and what it takes for effective execution. Strategies are a critical element in organizational functioning, but whereas most organizations have good strategies, successful implementation remains a major challenge. Strategy implementation includes consideration of who will be responsible for strategy implementation; the most suitable organizational structure, what should support the implementation of strategy (Lynch, 2000). Implementing and executing strategy entails figuring out all the how's – the specific techniques, actions, and behaviors that are needed for a smooth strategy – supportive operation and then following through to get things done and deliver results (Thompson et al, 2008). Thompson et al (2005), stipulates that strategy implementers have to be in the forefront in promoting a strategy supportive organizational climate and culture. At implementation, it may not be possible to foresee all the problems that will arise and making adjustments and corrections, and planning for better strategy executions is normal and unavoidable

1.1.4 The Retail Industry in Kenya

Retailing includes all activities involved in selling, renting, and providing services to ultimate customers for personal, non-business use (Berkowitz et al, 1989). Lewison (1987), states that a retailer is any business establishment that directs its effort towards the final consumer for purposes of selling goods and services.

In the Kenyan context retailers would include small shops, grocery stores, market stalls, over the counter stores, and supermarkets, selling directly to final consumers. The retail business has undergone tremendous growth and changes in scope, efficiency, technology, variety of products, and wider customer base. With the increasing number of supermarkets, the Kenya retail sector has become very competitive as the number of other retail outlets also increased.

1.1.5 Supermarkets in Nairobi, Kenya

Stern et al (1997) argues that supermarkets is a term used broadly for all service retail outlets meeting minimum size criteria of (150m2 in the case of Kenya), and with food lines representing an important percentage of sales (>50%). Futrell and Stanton, (1987) defines a supermarkets a large departmental retailing institution offering a variety of merchandise and operate on a self service basis with minimum of customer service.

The first supermarkets in Kenya was the Westlands General Store (1960), Ebrahims Self Service store (1970), and Uchumi supermarket (1975), all in Nairobi before later spread to other towns in Kenya (Neven, 2005). Competition is therefore very high considering the activities in the industry. According to Neven, (2005), supermarkets in Kenya are growing at rate of 18% per year, and have grown from a niche in the mid 1990s, to 20% of the urban food market, and 4% of the fresh food and vegetables market in 2003.

A number of factors have led to the growth of supermarkets in Kenya namely liberalization of trade, the increase among the city population and effective and efficient retailing system. Nairobi has been particularly targeted by many retailers as the most lucrative location for opening stores, Njiru, (2008). The study indicated that Nairobi as been particularly targeted by many retailers as the most lucrative location for opening stores. Some of the major supermarket chains that have their presence in Nairobi include; Nakumat, Uchumi, Tuskys, Ukwala, and Naivas. Her study revealed that they had several branches in Nairobi, where, Nakumatt has 16 branches, Uchumi (12), Tuskys (14), Ukwala (6), and Naivas (5), and that opportunity in the Nairobi central business district seem to have become exhausted. Davidson, (2005) argues that several supermarkets have been established in Nairobi and other town in the recent years. Whilst Nakumatt and Tuskys are playing a leading role in Kenya's burgeoning retail market, Uchumi supermarket has had a history of financial problems though it has returned to profitability (http:www.bdaily.africa.com).

1.2 Research Problem

Strategy implementation is the aspect of the strategic management process through which strategy is translated into action, and involves change. Strategy implementation boils down to managing change and the resistance thereof, and is where the real test to the success of a strategy lies. Strategy implementation is basically administrative and involves bringing change by working through other people, organizing, motivating, culture change building and finding the optimal fit between strategy and the organizational structure. Standardizing of product quality and pricing in all branches has been a challenge especially in fresh foods and vegetables category as depending on location prices vary depending on distance from supply source. Supermarkets are also known to be low priced, and to achieve this they have resorted to bulk purchases for large ones, smaller ones moving to selected suburbs to service niche markets.

In an attempt to satisfy customers in this competitive field, number supermarkets have come up with strategies such as 24 hour shopping in some selected stores, this has not been adopted by many supermarkets apart from a few branches of Nakumatt holdings Limited. Opening up of hypermarkets stocked with a wide range of merchandise making it one stop shopping experience, providing ample parking space, many branches have recorded product expiries due to this, especially on fresh foods and vegetables category. Many supermarkets in Nairobi have also resorted to opening up of branches near public transport terminus, so as to be convenient to the commuters, and others open branches in shopping centres in the residential areas to attract home shoppers. In the past five years, supermarkets in Nairobi have grown tremendously in terms of shop floor size and number of outlets, and at the same time others especially the small ones have been acquired by the large entities, and others closed shop due to profit losses. Many supermarkets have not been able stock their outlets with all merchandise to match the increasing demand of customers for wide variety. This strategy developments where others lead to success and others fail brings out the need to study the challenges faced by the supermarkets in Nairobi in implementation of their strategies.

Anncetta (2010), did a study on strategic responses by Tuskys supermarket to changing competitive environment, Bore (2008), did a study on response strategies of supermarkets in Nairobi central business district to competition, and more recently Lagat (2011), did a study on responses to changes in external environment by supermarkets in Kenya. No study has been done on strategy implementation challenges. The studies done on strategy implementation challenges include those done by Adongo (2008), on health focused NGOs, and Resper (2007), on Multi National Corporations in Kenya. None has been done in supermarkets in Kenya. The process of strategy implementation is an arduous task requiring the commitment of top management structures, communication, culture, leadership, process, and systems (Thompson & Strickland, 1998). This study therefore seeks to answer the questions; what are the challenges of strategy implementation in supermarkets in Nairobi, Kenya, and what measures has the supermarkets taken to deal with these challenges?

1.3 Research Objectives

The main objectives of the study were;

(i) To determine the challenges of strategy implementation faced by supermarkets in Nairobi, Kenya.

(ii) To establish measures taken by supermarkets to deal with these challenges.

1.4 Value of the study

This study will be of valuable interest to the following;

The findings of this study are an addition to the value of knowledge in the area of strategy implementation, where challenges during the process will be identified, and also ways of dealing with them, especially in the retail sector. This new found knowledge could be of use to various people.

Academicians are also likely to benefit in the sense that the knowledge gained gave them an opportunity to understand the concepts in strategy implementation, and even come up with other theories to be discussed by scholars. It provided new areas of study for the scholars especially to advance on the research findings.

Supermarkets are also likely to benefit given that this being a study done in their industry; they definitely took into consideration the findings of this study, and implemented them during their process of strategy implementation to avoid failures.

The other likely beneficiaries to this study were players in the retail industry, who by design of their business structure and operations resembles the supermarkets. The other likely beneficiaries are organizations that are implementing strategies similar to the ones done in supermarkets, e.g. expansion strategy, is done across industries, and this study could bring to their attention how to deal with challenges common to organizations during the implementation process.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Strategic management is an ongoing process that evaluates and controls the business and the industries in which the company is involved; assesses its competitors and goals and strategies to meet all existing and potential competitors; and then reassess each strategy annually or quarterly to determine how it has been implemented and whether it has succeeded or needs replacement by new strategy to meet changed circumstances, new social, financial, or political environment (Mintzberg et al, 2002).

2.2 Theories underpinning the study

Many studies have been done on strategy implementation challenges in various organizations, and the most recent studies done by Wangondu (2010), Ndonga (2010), and Arumonyang (2009). Theories have been advanced for effective strategy implementation, Mintzberge et al (1987) states implementing strategy involves creating fit between the way things are done and what it takes for effective implementation. Thompson & Strickland (1998), states that strategy normally faces numerous challenges especially in the turbulent environment, which need to be addressed on a continuous basis in order to attain the long-term objectives.

2.3 Corporate Strategy

Corporate strategy is 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, and 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 et al, 2002). The strategic decision contributing to this pattern is one that is effective over long period of time, affects the company in many different ways and focuses and commits a significant portion of its resources to the expected outcomes. The pattern resulting from a series of such decisions will probably define the central character and image of a company, the individuality it has for its members and various publics, and the position it will occupy in its industry and markets. It will permit the specification of particular objectives to be attained through a timed sequence investment and implementation decisions and will govern directly the deployment or redeployment of resources to make decisions effective.

Porter (1987), views corporate strategy as the overall plan for a diversified company. Corporate strategy is what makes the corporate whole add up to more than the sum of its business units. A diversified company has four levels of strategy, the company wide (corporate) strategy which concerns firstly; which business the organization should be in, and second how the corporate office should manage the array of business units. The other level of strategy; business unit (competitive) strategy whose main concern is how to create competitive advantage in each of the businesses in which the company competes.

Corporate strategy consists of the kinds of initiatives the company uses to establish positions in different industries, the approaches corporate executives pursue to boost the combined performance of the set of businesses the company has diversified into, and the means of capturing cross-business synergies and turning them into competitive advantage (Thompson et al, 2008). Senior corporate executives normally have lead responsibility for devising corporate strategy and for choosing from among whatever recommended actions bubble up from the organization below.

Johnson et al (2008), states that strategy is the direction and scope of an organization over the long-term, which achieves advantage in a changing environment through its configuration of resources, and competences with the aim of fulfilling stake holder expectations. Strategies exist at a number of levels in an organization; it is possible to distinguish at least three levels of strategy, where the top level is corporate level strategy, concerned with the overall scope of an organization, and how value will be added to the different parts (business units) of the organization. This could include issues of geographical coverage, diversity of products/services, or business units, and how resources are to be allocated between the different parts of the organization.

2.4 Strategy Implementation

Once a company has chosen a strategy to achieve its goals, strategy then has to be put into action by selecting appropriate organizational structure, and managing its execution through tailoring the management systems of the organization to the requirements of the strategy (Hill and Jones, 2001). Strategy implementation process is very important or the successful execution of the chosen strategy.

According to Pearce & Robinson (2004), strategy implementation is defined as a set of decisions and actions that result in the formulation and implementation of long-term plans designed to achieve organizational objectives. Implementation is an important component of the strategy planning process; it has been defined as the process that turns strategies and plans into actions to accomplish objectives (Pride and Ferrell, 2003). The strategy implementation task is to convert the strategic plan and get on with what needs to be done to achieve the vision and targeted objectives (Thompson & Strickland, 1998). Strategy implementation normally faces numerous challenges especially in the turbulent environment, which need to be addressed on a continuous basis in order to attain the long-term objectives.

Strategy implementation is an internal, operation driven activity involving organizing, budgeting, motivating, culture building, supervising, and leading to make the strategy work as intended. Implementing strategy involves: creating fit between the way things are done, and what it takes for effective execution. Strategies are a critical element in organizational functioning, but whereas most organizations have good strategies, successful implementation remains a major challenge. Strategy implementation includes consideration of who will be responsible for strategy implementation; the most suitable organizational structure, what should support the implementation of strategy (Lynch, 2000). Implementing and executing strategy entails figuring out all the how's – the specific techniques, actions, and behaviors that are needed for a smooth strategy – supportive operation and then following to get things done and deliver results (Thompson et al, 2008). Strategy implementers have to be in the forefront in promoting a strategy supportive organizational climate and culture. When major strategic changes are being implemented, a manager's time is best spent personally leading the changes and promoting needed cultural adjustments. At implementation, it may not be possible to foresee all the problems that will arise and making adjustments and corrections, and planning for better strategy executions is normal and unavoidable.

According to Pearce and Robinson (1997), once corporate and business strategies have been agreed upon, the next critical phase is translating strategic thought into organizational action. In other words move from planning their work to working their plan, and strategy implementation is successfully initiated in four interrelated concerns namely; identifying action plans and short term objectives, initiating specific functional tactics, communicating policies that empower people in the organization, and committing to continuous improvement.

For successful strategy implementation the strategic plan has to be institutionalized or incorporated into a system of values and norms that will help shape employee behavior making it easier to reach strategic goals. Strategy must be operationalized, or translated into specific policies, procedures and rules that will guide planning and decision making by managers and employees (Stoner et al, 2001).

Managing the implementation and execution of strategy is an operations oriented, making things happen activity aimed at performing core business activities in a strategy supportive manner. It is easily the most demanding and time consuming part of the strategy implementation process. Converting strategy plans into actions and results tests a manager’s ability to direct organizational change, motivate people, build and strengthen company competencies and competitive capabilities, create and nurture a strategy supportive work climate, and meet or beat performance targets.

To ensure success the strategy must be translated into carefully implemented action. This means that the strategy must be translated into guidelines for the daily activities of the firm. The strategy and the firm must become one. In implementing the strategy the firm managers must direct and control actions and outcomes and adjust the change (Pearce II and Robinson Jr, 2005)

2.5 Challenges of Strategy Implementation

There are many organizational characteristics that act as challenges to strategy implementation such as culture, structures, leadership, policies, reward and ownership of the strategy (Burns, 2000). These strategies are both institutional and operational in nature. According to Pearce and Robinson (1988), within the organizational structure, individuals, groups, and units are the mechanisms of organizational action, and that the effectiveness of that action is a major determinant of successful implementation. According to Aosa (1992), strategy implementation is likely to be successful when congruence is achieved between several elements, of particular importance are; the organizational structure, culture, resource allocation, systems, and leadership.

2.5.1 Organizational Culture

Organizational culture is the set of assumptions (often unstated) that members of an organization share in common (Pearce and Robinson, 2008). A culture grounded in strategy supportive values, practices and behavioral norms adds significantly to the power and effectiveness of a company strategy execution effort (Thompson et al, 2005). According to Pearce & Robinson (2008), beliefs and values have more personal meaning if an organizational member views them as a guide to appropriate behavior in the organization, and therefore complies with them. Assumptions become shared assumptions through internalization among an organizational member and hence shape the content and account for the strength of an organization culture. Managing the strategy culture relationship requires sensitivity to the interaction between that change necessary to implement the new strategy and the compatibility or fit between these changes and the firm's culture.

2.4.2 Organizational Structure

A primary organizational structure comprises the firms major elements, components, or differentiated with such structure portrays how key tasks and activities have been divided to achieve efficiency and effectiveness (Pearce and Robinson, 1988). He adds that successful strategy implementation depends in large part on the firm's primary organizational structure. That structure identifies key activities within the firm and the manner in which they will be co-ordinated to achieve the firm's strategic purpose. According to Chandler (1962), changes in an organizations structure is determined by strategy implementation of the new strategy. He argues that strategy follows structure, and that successful implementation of a strategy can be aided by the adoption of appropriate organizational structure. Organizational structure assigns employees to specific value tasks and roles and specifies how these tasks and roles are to be linked together in a way that increases efficiency, quality, innovation, and responsiveness to customer.

2.5.3 Strategic Leadership

The leadership challenge is to galvanize commitment among people within an organization as well as stakeholders outside the organization to embrace change and implement strategies intended to position the organization to do so. Leaders galvanize commitment to embrace change through three interrelated activities; clarifying strategies intent, building an organization, and shaping organizational culture. A major concern of top management in implementing a strategy, particularly if it involves a major change is that the right positions to facilitate executions of the new strategy (Pearce & Robinson, 2008). Organizational policies are tactics that strategic managers engage in to obtain and use power to influence organizational goals and change strategy or further their own interests (Hill & Jones, 1999). Leading the strategy execution is a top down responsibility driven by mandates to get things on the right track and show good results (Thompson et al, 2008).

2.5.4 Reward Systems

If strategy accomplishment is a top priority, then the reward system must be clearly and tightly linked to strategy performance. Motivating and controlling managerial personnel in the execution of strategy are accomplished through a firms reward mechanisms; compensation, raises, bonuses, stock options, incentives, benefits, promotions, demotions, recognition, praise, criticism, more (or less) responsibility, group norms, performance appraisal, tension, and fear. These mechanisms can be positive or negative, short run and long run. Rewards linked to a firm’s strategy logically enhance its chance of success. Variable pay, individual job outcomes, performance, avoid discrepancies of pay, fair accurate and informative.

2.5.5 Organizational Resources

According to David (2003), organizations have at least four types of resources that can be used to achieve desired objectives namely; financial resources, physical resources, human resources, and technological resources. Strategic capability is underpinned by the resources available to an organization since it is resources that are deployed into the activities of the organization to create competences (Johnson & Scholes, 2002). According to Mintzberg et al (2008), corporate strategy will permit the specification of particular objectives to be attained through a timed sequence investment and implementation decisions and will govern directly the deployment or redeployment of resources to make decisions effective.

2.6 Dealing with Strategy Implementation Challenges

The environment is rapidly changing and in order to survive in dynamic environment, organizations corporate strategies need to focus and deal with their customers and deal with emerging environmental challenges their portfolios of investments. This is necessary because they are environment serving (Ansoff and McDonnell, 1990). According to Pearce and Robinson (2008), managing the implementation and execution of strategy is operations – oriented, make thing happen activity aimed at performing core business activities in a strategy supportive manner.

An incoming CEO who decides to shake up the existing business and take it in new directions often triggers a cultural shift, likewise diversification into new business, expansion into foreign countries, rapid growth, an influence of new employees, and merger with or acquisition of another company can precipitate cultural changes of own kind or another (Thompson et al, 2008).When a company's present work climate promotes attitudes and behaviors that are well suited to first rate strategy execution, its culture functions as a valuable ally in the strategy execution process. When the culture is in conflict with sum aspects of the company's direction, performance targets, or strategy, the culture becomes a stumbling block. A tight culture–strategy match up furthers a company's strategy execution effort in three (3) ways;

(i) A culture that encourages actions, and work practices supportive of good strategy execution not only provides company personnel with clear guidance regarding "how we do things around here" but also provides significant peer pressure from co-workers to culturally conform.

(ii) A deeply embedded culture tightly matched to the strategy aids the course of competent strategy execution by steering company personnel to culturally approved behaviors and work practices and thus makes it simpler to route out any operating practice that is a misfit.

(iii) A culture embedded with values and behaviors that facilitate – strategy execution promotes strong employee identification with and commitment to the company's vision, performance targets and strategy.

A culture where frugality and thrift are widely shared by organizational members, nurtures employees action to identify cost saving opportunities the very behavior needed for successful execution of a low cost leadership strategy (Thompson et al, 2005)

While different strategies and circumstances sometimes call for different mixes of backgrounds, experiences, values, belies, management styles, and know-how, the most important consideration is to fill key managerial slots with smart people who are clear thinkers, good at figuring out what needs to be done, and in making it happen and delivering good results (Thompson et al, 2008). In the task implementing and executing challenging strategic initiatives must be assigned to executives who have skills and talents to handle them and who can be counted to turn their decisions and actions into results that meet or beat the established performance targets. All managers have strategy executing responsibility in their areas of authority, and all employees are participants in the strategy execution process. According to Thompson et al (2008), to get employees sustained, energetic commitment, management has to be resourceful in designing and using motivational incentives, both monetary and non monetary. The more a manager understands what motivates subordinates and the more he or she relies on motivational incentives as a tool for achieving the targeted strategic and financial results, the greater will be employee's commitment to achieving performance targets. To keep people focused on strategy execution and the achievement of performance targets is to generously reward and recognize individuals and groups who meet or beat performance targets and deny rewards and recognition to those who don't.

Although it may not be possible to define which comes first, there is need to ensure that strategy and structure are consistent with each other. For an organization to be economically effective there needs to be a matching process between the organization's strategy and its structure; this is the concept of strategic fit (Lynch, 2009). According to Thompson et al (2008), implementing a new or changed strategy is likely to entail new or different key activities, competencies, or capabilities and therefore to require new or different organizational arrangements. Principally structures are changed when they no longer provide coordination; control and directive that managers and organizations require to implement strategies successfully.

According to Pearce and Robinson (2004), strategy implementation efforts can be frustrated because of several efforts one of which is resources needed for successful strategy implementation. The notion of strategic fit is developing strategy by identifying opportunities in the business environment and adapting resources and competencies so as to take advantage of these (Johnson & Scholes, 2002). According to Thompson and Strickland (1989), how well a strategy implementer ties the organizations budget directly to the needs of strategy can either promote or impede the process of strategy implementation and execution,

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

In this chapter various stages and phases that were followed in the process of completing the study as outlined. The process involved a detailed collection, measurement, and analysis of relevant data from the supermarkets in Nairobi Kenya, with a view to determining the challenges encountered in strategy implementation and measures taken.

3.2 Research Design

This was a cross-sectional survey, aimed at establishing challenges encountered in corporate strategy implementation in supermarkets in Nairobi, Kenya, and to establish the measures taken to deal with those challenges. The method allowed the researcher to get an in depth knowledge of what, how where, and why of the phenomenon under study. Similar researches have already been done by Wasamba (2008), and Mageto (2009).

According to Cooper and Schindler (2006), a survey is a measurement process used to collect information during a highly structured interview - sometimes with a human interviewer and other times without.

3.3 Population of Study

The study sought to study all the supermarkets within Nairobi, Kenya. The target population is all the 173 supermarkets in Nairobi, Kenya. The latest list from the yellow pages of Kenya

Business directory (www.yellow.co.ke) was used, which has a total of 173 supermarkets. Mageto (2009), used the list from The Nation Business Directory which had a total population of 102 supermarkets. The yellow pages is therefore exhaustive and hence the choice.

3.4 Sample Design

The study comprised of a total of 173 supermarkets in Nairobi, Kenya, a sample size of 30 supermarkets was selected using simple random sampling technique. Lagat (2011), used a sample size of 22 supermarkets, Mageto (2009), used a sample size of 30 supermarkets.

The choice of 30 supermarkets is representative of the total number of supermarkets as the selection was across the divide in terms of size and location, and that supermarkets are basically similar. According to Kothari (1999), in simple random sampling, every item in the population has an equal chance of inclusion in the sample.

3.5 Data Collection

The questionnaire was designed to address the research questions; what are the challenges of strategy implementation in supermarkets in Nairobi, Kenya, and what measures has the supermarkets taken to deal with these challenges? The questionnaire is divided into three sections; A, B, and C. Part A addresses the demographic information on the supermarkets in Nairobi, Kenya, part B addresses the strategy implementation challenges, and part C, addresses the measures taken by the supermarkets to deal with those challenges.

This study used both primary and secondary data, where primary data was collected using questionnaires which were structured and un-structured, and secondary data was from the organizations strategic plan and other related sources like internal memos. The questionnaires were administered on a drop and pick later method, and the respondents were either the shop owner where available, or the manager, and for big supermarkets with several branches, the manager at the main office. The questionnaire was designed to obtain information on the nature and kind of challenges, and also the nature of measures adopted by supermarkets in Nairobi to address those challenges.

3.6 Data Analysis

During the process of analysis, descriptive statistics was used. These included use of tables, charts, quartiles (percentiles), mean, and standard deviation. The process of data analysis involved a process where completed questionnaires were edited for completeness and consistency. The data was coded and checked for any errors and omissions (Kothari, 1990).

A descriptive study is used to learn the what, who, where, and how of a phenomenon (Cooper and Emory, 1995). Descriptive statistics has been previously used in this kind of study by done by Mageto (2009), and Wasamba (2008). Mean scores were computed to establish the extent of the challenges commonly felt, and the standard deviation was computed to establish the degree of variance in the responses.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter discusses the findings, analysis, discussion, and presentation of the data. The objectives of the study were to determine the challenges faced by supermarkets in Nairobi, Kenya, and to establish measures taken by these supermarkets to deal with those challenges. A sample survey was undertaken where the owners and managers of the supermarkets were given questionnaires using drop and pick later method. Simple random sampling technique was used to come up with a sample size of thirty (30) supermarkets selected from the list as shown in appendix II. The response rate was (83.3%), indicating that out of 30 targeted supermarkets, 25 filled and returned the questionnaires.

4.2 Findings from Demographic Information

This section discusses the findings, analysis, interpretation, and the respondent's demographics data presentation. The data is presented as below depending on how the respondents are categorized.

4.2.1 Position of Respondent

The respondents were asked to indicate their position in the supermarket. According to the study, only 4 (16%) respondents were the owners and the other 21 (84%) were the managers as shown in the table below. This shows that many supermarket owners delegated the management of their businesses to able managers, as they engage in other forms of activities and take a supervisory role in their own businesses.

Table 4.1 Respondent title

Title of interviewee	Frequency	Percentage
Owner	4	16%
Manager	21	84%
Total	25	100%

Source: Research data

4.2.2 Number of Years worked

The respondents were asked to indicate how many years their have worked in the same capacity at their organization. According to the study, majority of the respondents had worked in the same capacity for over 4 years. Out of the 25 respondents only 5 (20%) had worked for less than 4 years, and the rest 20 (80%) had worked in the same capacity for between 4 to 16 years. This shows that the information obtained from the respondents is credible, and that the respondents are experienced and competent in their respective positions.

4.2.3 Number of years in operation

The respondents were asked to indicate the number of years that their supermarket has been in operation. According to the study, a number of the respondents 10 (40%) confirmed that their organizations had been in operation for a period of 16 years and above, and 9 (36%) confirmed that they have been in operation for a period between 6 to 10 years. Only 3 (12%) confirmed they have been in operation between 1 to 5 years, and the other 3 (12%) in operation between 11 to 15 years as shown in the table below.

Table 4.2 Duration in business

No. of Years in operation	Frequency	Percentage
1 to 5	3	12%
6 to 10	9	36%
11 to 15	3	12%
16 and Above	10	40%
Total	25	100%

Source: Research data

This gives an indication that many managers are stable in their workplace looking at over 6 years as a manager, showing a high level of their capability. The high frequency of more than 16 years in the same position can be attributed to the family businesses, where the owners manage, and therefore do not move to other organizations to work but take it as a family duty to stay and grow with their company.

4.2.4 Ownership Structure

The respondents were asked to indicate the ownership structure of the supermarket. According to the study, most of the respondents indicated that their organizations were individually and privately owned 14 (56%) and 10 (40%) respectively, and only 1(4%) was Government/Public owned as shown in the table below. This is an indication that the retail industry in Kenya has low entry barriers making it possible for many individuals and partners to venture even at low cost investment. The Government/Public is not keen in this kind of investment leaving it to private investors.

Table 4.3 Ownership structure

Ownership Structure	Frequency	Percentage
Individual	14	56%
Private partnership	10	40%
Government/Public	1	4%
Other	0	0%
Total	25	100%

Source: Research data

4.2.5 Number of Employees

The respondents were asked to indicate the number of employees in the supermarkets by choosing a specified range. According to the study, many of them 12 (48%) were between the ranges of 1 to 25 employees, followed by 6 (24%) within the range of above 75 employees. The others were 5 (20%) and 2 (8%) between the ranges of 26 to 50, and 51 to 75 employees respectively as shown in the figure below.

This is an indication that many of the supermarkets in Nairobi (48%) are small in size mostly located to serve estates, and that there are also a sizable number are large supermarkets opening up many branches in upcoming large shopping malls and suburbs in competition for the large basket shoppers. This shows a relatively low number of mid size supermarkets, mainly because the small supermarkets are serving a niche market mostly in the estates, and the large ones are growing rapidly to compete in town and big shopping malls.

Table 4.4 Size by employees

No. of Employees	Frequency	Percentage
1 to 25	12	48%
26 to 50	5	20%
51 to 75	2	8%
Above 75	6	24%
Total	25	100%

Source: Research data

4.2.6 Other Branches

The respondents were asked to indicate whether their organization has other branches, and 9 (36%) answered yes, and the other 16 (64%) respondents answered no. This shows that the retail industry particularly the supermarkets are owned by small investors as seen from the fact that many of them do not have branches, or very few if any.

4.2.7 Number of Branches

The respondents were asked to indicate the number of branches the supermarket has within a specified range. According to the study, many of the respondents indicated that they have between 1 to 6 branches, where 4 (44.4%), and 3 (33.3%) are in the ranges of 1 to 3, and 4 to 6 branches respectively. The others are between the range of 7 to 10, and above 10 both at 1 (11.1%) as shown in the table below. This is further indication that the Kenyan retail sector is dominated by small players, not having many branches, and a few big players.

Table 4.5 Branch network

No. of Branches	Frequency	Percentage
1 to 3	4	44.4%
4 to 6	3	33.3%
7 to 9	1	11.1%
10 and Above	1	11.1%
Total	25	100%

Source: Research data

4.3 Strategy implementation challenges

This section presents information on the challenges of strategy implementation in supermarkets in Nairobi, Kenya. The research objective was to establish the challenges in strategy implementation in supermarkets in Nairobi, Kenya. The challenges as outlined were meant by the researcher to determine the extent to which they affected strategy implementation process in the organizations under study. The researcher used a likert scale of 5 points rank to analyze data, where the respondent was to rank the challenges according to the extent to which it impacted on strategy implementation. According to the ranking, 1 point was awarded not at all, 2 points awarded little extent, 3 points awarded moderate extent, 4 points awarded great extent, and 5 points awarded very great extent, as shown in the table below.

Table 4.6 Challenges encountered

CHALLENGES	**Mean**	**SD**
Implementation took more time than originally allocated	2.6	1.35
Monitoring, Planning, coordination, and sharing of responsibilities was not well defined.	2.0	0.8
Insufficient flexibility of strategy	1.8	0.77
Unsupportive organizational structure	2.4	1.11

Other competing activities and crisis distracted attention from the implementation process	2.7	1.26
Inadequate training of staff	2.5	1.29
There was staff resistance to strategy implementation	2.4	1.21
Unsupportive organizational culture to the new strategy	2.5	1.29
Staff insecurity in new territory	2.2	1.14
Leadership provided by the top management inadequate	1.5	0.33
Overall goals not understood by employees	2.1	0.86
Poor top management support & commitment	1.8	0.91
Inadequate communication	2.0	0.84
Lack of link between reward systems and strategy execution	2.7	1.26
Inadequate employee capability	2.7	0.54
Poor employee commitment to strategy implementation	2.5	1.29
Inadequate human resource skills	2.2	1.20
Inadequate financial resource skills	2.6	1.52
Inadequate staffing	1.9	0.77
Inadequate physical facilities	2.0	0.84
Grand Mean	**2.3**	**1.03**

Source: Research data

As shown above, various factors were considered and respondents ranked them according to the extent they felt applied in their supermarket, from not at all, to very great extent. The factors that do not apply at all were awarded 1 point, while the factors that applied to a very great extent were awarded 5 points.

According to the study, the challenges in strategy implementation considered had a grand mean of 2.3, meaning that the respondents considered their impact in strategy implementation to be relatively low. A grand mean of 2.3 is in between the rankings of 2 which is little extent, and 3 which is moderate extent. The grand mean of 2.3 is closer to 2.0 than 3.0 and therefore considered relatively low impact. This therefore shows that the supermarkets in Nairobi, Kenya are having challenges in strategy implementation in many areas of management, but not particular to a given area. The challenges are not pronounced and can therefore be easily dealt with to achieve better strategy implementation results.

The respondents were of the view that other competing activities and crisis distracted attention from the implementation process with a mean of 2.7, showing a relatively strong agreement that it has a moderate impact in strategy implementation in supermarkets. Closely following was lack of link between reward systems and strategy execution, and also inadequate employee capability, both with a mean of 2.7. Mean of 2.7 is close to 3 point scale meaning that they are considered to have moderate impact. The other challenges were implementation took more time than originally allocated, and inadequate financial resources both with a mean of 2.6. The factor least considered to have an impact is leadership provided by the top management inadequate, with a mean of 1.5. The other factors least considered are insufficient flexibility of strategy with a mean of 1.8, poor management support & commitment with a mean of 1.8, inadequate staffing with a mean of 1.9.

The respondents were asked to indicate any other challenges faced by their organization. They responded in varied ways and included low level of insecurity in Nairobi, Kenya, increasing level of competition in the retail industry, and one even mentioned uncooperative customers in situations where customers are involved. This shows that the above challenges are not exhaustive, and that there are other challenges that have an impact on the strategy implementation.

4.4 Measures taken to deal with Strategy Implementation Challenges

This section presents information on the measures taken by the supermarkets in Nairobi, Kenya, to deal with those challenges. The research objective was to establish the measures taken by the supermarkets to deal with those challenges in strategy implementation in supermarkets in

Nairobi, Kenya. The measures as outlined were meant by the researcher to determine the extent to which they were applied in the supermarkets. The respondents were asked to rank the measures according to the extent to which they felt they were applied in their organizations to deal with the challenges of strategy implementation. The researcher used a likert scale of 1 to 5 points to rank and analyze data, where the respondent was to rank the measures according to the extent to which it was applied. According to the ranking, 1 point was awarded not at all, 2 points awarded little extent, 3 points awarded moderate extent, 4 points awarded great extent, and 5 points awarded very great extent. The mean and standard deviation were used to show the extent to which measures were used deal with the challenges as shown in the table below.

Table 4.7 Measures to deal with challenges

MEASURES APPLIED	**Mean**	**SD**
Enough time was allocated to strategy implementation	3.8	0.64
There was proper strategy formulation	3.5	0.73
Coordination, Monitoring was effectively done	4.0	0.92
Staff training was conducted prior to strategy implementation	3.7	0.76
Proper leadership was provided	3.0	1.56
Key implementation tasks were clearly defined	3.3	0.95
No key staff was laid off the company during implementation	3.1	1.32
Management communicated overall goals to employees	4.0	0.84
Reward system linking overall goals put in place	2.0	1.2
Employees were involved and felt ownership of the strategy	3.0	1.24
Prompt allocation of financial resources for implementation	3.2	1.10
Adequate physical resources made available as and when required	3.2	0.98
Departments were fully staffed	3.2	1.60
Staff recruited during implementation to support process	4.0	2.0
Staff educated and on role of organizational structures and design	3.5	0.97
Grand Mean	**3.4**	**1.12**

Source: Research data

As shown above the measures were considered and the respondents ranked them according to the extent to which they applied them, the measures had a grand mean of 3.4 points, meaning that that they were applied to a relatively moderate level. The grand mean of 3.4 lies between 3.0 which is moderate extent and 4.0 great extent.

According to the study, the measures relatively applied by the respondents were staff recruited during implementation to support process with a mean of 4.0, management communicated overall goals to employees with a mean of 4.0, staff training was conducted prior to strategy implementation with a mean of 3.7, and staff educated on role of organizational structures and deign with a mean of 3.5. The means above are relatively closer to 4.0 point scale showing that the measures were used to a greatly. The measure least used was the reward system linking overall goals to employees, with a mean of 2.0. The other measures used to a relatively low level were proper leadership was provided with a mean of 3.0, employees were involved and felt ownership of the strategy with a mean of 3.0, and no key staff was laid off the company during implementation with a mean of 3.1.

4.4.1 Response to change in organizational structure

The respondents were asked to indicate whether there has been a change in their organizational structure since inception, and 21 (84%) respondents answered to the affirmative, whereas, only 4 (16%) respondents answered no. This implies that most of the organizations with time and circumstances go through changes that make them change their structure, and the few that have not changed their structure is that they are still new in existence and yet to undergo through circumstances necessitating a change in the their organizational structure.

4.4.2 Response to other measures

The respondents were asked to indicate other measures taken by their organization to ensure successful strategy implementation. According to the study, only a few of them, 5 (25%)

responded to this question. The few who responded indicated acquisition of modern technology, and development of a friendly family culture in the organization to enhance openness and lack of fear of job loss.

4.4.3 Response to any other comments on successful strategy implementation

The respondents were asked to indicate any other comments on what should be done in their organization to ensure successful strategy implementation. According to the study, only a few of the respondents, 5 (25%) answered this question. The answers included use of consultants in strategy implementation, and emphasis to be put on public relations between the organization staff members and customers where the customers are affected.

4.5 Discussion

The objectives of the study were to determine the challenges faced by supermarkets in Nairobi, Kenya, and to establish measures taken by the supermarkets to deal with those challenges. The study determined that as some of the challenges in strategy implementation in supermarkets in Nairobi, Kenya, is that implementation took more time than originally allocated, with a mean of 2.6, inadequate financial resources, other competing activities and crisis distracted attention from the implementation process. Theses findings are in agreement with findings by Arumonyang (2009), who concluded that implementation of strategy took more time than originally allocated because of interference by uncontrollable factors leading to delayed plans, inadequate resources, and reward challenges extremely affected by low morale of staff due to poor pay or staff members, and that these factors had a relatively moderate impact on the process. Ochanda (2005), was also in agreement stating that for an organization to experience successful strategy implementation and achieve its targeted performance, there must be a tight fit between strategy and the organizational skills and competences.

According to the findings, many supermarkets in Nairobi, Kenya were small retailers as seen from the number of branches, where 36% had no other branch, and out of those having other branches 44.4% had between 1 to 3 branches. As per the number of employees, those with employees 1 to 25 were 48%. This is an indication that the supermarket segment of the retail sector is dominated by small players. These findings are in agreement with Isaac (2011), stating that 50% of the supermarkets in Nairobi, Kenya had 1 to 3 branches. The study only targeted the supermarkets with branches. The study by Lagat (2011), found that supermarkets with less than 5 branches were 54%, and those with employees less than 100 in number were 36%. This could also be seen from the fact that majority of the supermarkets under study (56%) were individually owned. A big player like the Government/public for example has only 4% ownership. From the study findings indicating that most of the supermarkets under study though are individually owned and relatively small in size are professionally managed. This is seen from the data analysis that 84% of the supermarkets under study were being managed by employees, meaning that the owners had delegated the management to professionals and doing the supervisory role.

From the findings, the role of technology was established as an important factor in the success of strategy implementation. This factor is considered important in the study of Lagat (2011), as a response strategy to changes in external environment by supermarkets in Nairobi, Kenya. Neven (2005), indicated that fast paced technological changes, changing consume preferences, and rising cost of living were the major challenges of urban supermarkets in Kenya.

According to the study, the measures widely used by the supermarkets to deal with the challenges in strategy implementation in Nairobi, Kenya were staff recruited during implementation process, management communicated overall goals to employees, and coordination, monitoring was effectively done. This is an indication that the leadership of the supermarkets was determined to see the implementation of strategy succeed, as all the measures mentioned are managerial functions. This is also in accordance to Khandawalla (1976), suggesting that for successful implementation to ensue, managers should be replaced or retrained if their skill or styles are deemed appropriate. Furthermore, Chakravarty and Lorange (1984), suggest that the style of the CEO must be compatible with the anticipated changes in the structure and systems by the firm. This is in disagreement with the findings of Amina (2011), who stated in her findings that there was a problem with leadership qualities in the banks, as most of the leaders do not believe in the bank; do not like the vision of the bank, misuse of power, undermining juniors, no delegation of duty.

According to the research findings, supermarkets with less than 5 branches were 54%, and those with employees less than 100 in number were 36%. This could also be seen from the fact that majority of the supermarkets under study (56%) were individually owned. From these findings it can be concluded that majority of the supermarkets in Nairobi, Kenya are small outfits. This fact of the small business operation goes against the popular belief from some theorists that supermarkets should be large and succeed on an economy of scale kind of operation. Kotler (2003), defines a supermarket as a relatively large, low-cost, high volume, self service operation designed to serve total needs or food, laundry and household maintenance products. The small size supermarkets in Nairobi, Kenya do offer relatively few merchandise depending on its size and customer requirements.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter gives the summary of the findings from chapter four, and also the conclusions and recommendations of the study based on the objectives of the study. The objectives were to determine the strategy implementation challenges in supermarkets in Nairobi, Kenya, and also to establish measures taken to deal with those challenges.

5.2 Summary and Findings

The researcher was investigating the challenges of strategy implementation in supermarkets, and measures taken to deal with those challenges in Nairobi, Kenya. The study comprised of a total of 173 supermarkets, a sample size of 30 supermarkets was selected using simple random sampling technique. Primary data was collected from the respondents using a structured and un structured questionnaire. The questionnaires were administered on a drop and pick later method, and the respondents were either the shop owner where available, or the manager, and for big supermarkets with several branches, the manager at the main office. Out of the 30 respondents targeted, 25 (83.3%) filled and returned the questionnaires.

The study indicted that relatively many organizations under study were individually owned (56%), were small size, and mainly managed by employees (84%) with a few managed by the owners. The study indicated that the large organizations with above 75 numbers of employees (24%) were fairly many with a few mid size supermarkets (8), with 51 to 75 employees.

The study also revealed that the challenges widely considered but with moderate impact affecting strategy implementation are inadequate employee capability, lack of link between reward systems and strategy execution, other competing activities and crisis distracted attention from the implementation process, implementation took more time than originally allocated, and inadequate financial resources. The other challenges considered but to with little impact are leadership provided by the top management inadequate, followed by insufficient flexibility of strategy, poor top management support & commitment, and inadequate staffing. Most of the organizations under study had changed their organizational structure since inception, and that technology was identified as a challenge.

The study also revealed that measures relatively applied to a great level and to ensure successful strategy implementation were staff recruited during implementation to support process, management communicated overall goals to employees, staff training was conducted prior to strategy implementation, and staff educated on role of organizational structures and deign. The least applied measure was reward system linking overall goals put in place. The other measures used to relatively low extent were proper leadership, employees were involved and felt ownership of the strategy, and key staff was laid off the company during implementation.

The study indicated that 21 (84%) of the supermarkets under study had changed their organizational structure since inception, while 4 (16%) still had the old structure. Other measures to enhance successful strategy implementation were identified as improved technology, and improved employee & customer relations.

5.3 Conclusion

The objectives of the research were to establish the challenges of strategy implementation in supermarkets in Nairobi, Kenya, and the measures taken to deal with those challenges. The study involved studying all the supermarkets in Nairobi, Kenya. A sample size of 30 supermarkets was selected using simple random sampling technique, and a questionnaire administered to the respondents with a view to finding the answers.

Based on the findings, the researcher concluded that the supermarkets in Nairobi, Kenya are faced with various challenges in their strategy implementation process. The challenges mostly considered with relatively moderate impact are other competing activities and crisis distracted attention from the implementation process, lack of link between reward systems and strategy execution, implementation took more time than originally allocated, inadequate financial resources and inadequate employee capability.

To address the challenges of strategy implementation, the study established that the management relatively applied measures to great level like to ensure coordination, monitoring was effectively done, management communicated overall goals to employees, and staff recruited during implementation process to support process, and in an effort to ensure successful implementation of strategy.

According to the study, it was also concluded that majority of the players in the retail sector especially the supermarkets in Nairobi, Kenya are small investors, and that they operate small outfits to serve niche markets. These small supermarkets are largely located in the estates, where the customers have unique needs, met primarily by the small supermarkets. The big supermarkets are relatively many, with a few mid size supermarkets, showing that the big supermarkets are growing rapidly to take advantage of the growing business opportunities, and are largely located in the town centers and shopping malls.

5.4 Recommendations for policy and practice

From the findings of the study, it was revealed that lack of link between reward system and strategy execution was widely considered as a challenge affecting strategy implementation with moderate impact, the researcher recommends that the management of supermarkets put in place a reward system linking overall goals to employees. This measure according to the findings is used to at a relatively low level, but has a positive effect in nearly all aspects employee attitude towards the strategy implementation.

The management of the supermarkets should also emphasize on strategy formulation process, and this would improve on strategy implementation avoiding such challenges identified as inadequate employee capability, implementation time taking more time than originally allocated, and inadequate financial resources. This is necessary because from the findings, those these factors were widely considered challenges to strategy implementation process, and emphasizing on strategy implementation process would improve success on strategy implementation.

These research findings can serve as a guide for successful implementation in the retail sector, and enhance the growth of small businesses in this sector of the Kenyan economy. From the research findings it is established that the majority of the players in retail sector are small entrepreneurs, the government in an effort to boost this sector should adopt policies aimed at promoting their growth. This can be done by tackling issues identified as challenges like providing low cost financing, and enhancing educational syllabus towards learning better management of these enterprises.

5.5 Limitations of the Study

The researcher in the process of data collection went through several problems; many respondents did not want to fill the questionnaire because they thought the information would leak to their competition. Even after showing them the letter from the university they still doubted the confidentiality, saying that previous information given under such exercises had found its way to the competition.

Some senior managers claiming to be busy gave the questionnaires to their juniors who did not have all the relevant answers, and had to be assisted by their seniors again, this consumed a lot of time, delaying the data collection process. The senior managers claimed that they are too busy with the operations of the supermarket, and can therefore not be hurried to fill the questionnaire and so opt to delegate that duty to their junior staff.

Many of the respondents due to insufficient academic knowledge in the area of study were unable to comprehend the questions and were thus not able to provide the relevant data on the study topic without assistance. The researcher at many a time had to personally explain to the researcher the questions, and what the answer means. This meant taking a lot of time collecting the data as the respondents will not admit immediately their inability, but after several visits by the researcher, checking whether the questionnaire has been filled.

Since the research covered the whole of Nairobi, Kenya, it meant that the researcher had to travel to distant places in far off locations to reach the respondents. In such cases the researcher had time and financial constraints, as in some cases the researcher could not get the respondents and had to wait to personally supervise the filling process and carry it back to avoid coming back. This led to some questionnaires not being filled as the respondents could not be found, and even if dropped the respondents due to their tight schedule or inability to understand the questions fail to fill the questionnaire.

5.6 Suggestions for further research

The study investigated the challenges of strategy implementation in supermarkets in Nairobi, Kenya. The researcher recommends that a similar study be done in the supermarkets in Kenya, but the study to be confined to supermarket categories in terms of sizes. This would be more challenging considering it will be more costly covering a larger region. This is where small, midsize, and large supermarkets are studied differently because of their varied strategic plans. This would assist in determining the challenges of strategy implementation peculiar to the different categories of the supermarkets in Kenya.

It has also been established that a number of supermarkets are performing very well, as seen from the level of growth in terms of new outlets, while others are closing down, or are stagnant in terms of growth. The researcher recommends that a study be carried out on the supermarkets in Nairobi, Kenya with a view to establishing the key success factors or the tremendous growth of some supermarkets, and the challenges faced by the others not performing well. The limitations in this aspect would include meeting the supermarket top management to get more credible information necessary for the study.

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APPENDICES

APPENDIX I: QUESTIONAIRE

PART A: General Background Information

1) Name of Supermarket:____

2) Title of Interviewee:

(a) Owner [ ] (b) Manager [ ]

3) Number of years worked in that position____

4) How many years in operation?

(a) 1 to 5 [ ] (b) 6 to 10 [ ] (c) 11 to 15 [ ] (d) 16 and above [ ]

5) Ownership structure:

(a) Individual [ ] (b) Private partnership [ ] (c) Government/Public [ ]

(d) Other specify________________________

4) Number of Employees:

(a) 1 to 25 [ ] (b) 26 to 50 [ ] (c) 51 to 75 [ ] (d) Above 75 [ ]

6) Do you have other Branches? (a) Yes [ ] (b) No [ ]

7) If yes, how many other branches do you have?

(a) 1 to 3 [ ] (b) 4 to 6 [ ] (c) 7 to 9 [ ] (d) 10 and above [ ]

PART B: Strategy Implementation Challenges

To what extent do you encounter the challenges in strategy implementation? Use a 5 point scale where 1 = not at all, and 2 = little extent, 3 = moderate extent, 4 = great extent, and 5 = very great extent.

CHALLENGES	1	2	3	4	5
Implementation took more time than originally allocated					
Monitoring, Planning, coordination, and sharing of responsibilities was not well defined.					
Insufficient flexibility of strategy					
Unsupportive organizational structure					
Other competing activities and crisis distracted attention from the implementation process					
Inadequate training of staff					
There was staff resistance to strategy implementation					
Unsupportive organizational culture to the new strategy					
Staff insecurity in new territory					
Leadership provided by the top management inadequate					
Overall goals not understood by employees					
Poor top management support & commitment					
Inadequate communication					
Lack of link between reward systems and strategy execution					
Inadequate employee capability					
Poor employee commitment to strategy implementation					
Inadequate human resource skills					
Inadequate financial resources					
Inadequate staffing					
Inadequate physical facilities					

What other challenges does your organization face? (Kindly list below)________________

____

____

____

PART C: Measures to cope with the challenges of Strategy Implementation

To what extent do you apply each of the following measures to cope with the challenges of strategy implementation? Use a 5 point scale where 1 = not at all, and 2 = little extent, 3 = moderate extent, 4 = great extent, and 5 = very great extent

MEASURES APPLIED	1	2	3	4	5
Enough time was allocated to strategy implementation					
There was proper strategy formulation					
Coordination, Monitoring was effectively done					
Staff training was conducted prior to strategy implementation					

Proper leadership was provided					
Key implementation tasks were clearly defined					
No key staff was laid off the company during implementation					
Management communicated overall goals to employees					
Reward system linking overall goals put in place					
Employees were involved and felt ownership of the strategy					
Prompt allocation of financial resources for implementation					
Adequate physical resources made available as and when required					
Departments were fully staffed					
Staff recruited during implementation to support process					
Staff educated and on role of organizational structures and design					

Has there been a change in the organizational structure since inception?

Yes [ ] No [ ]

What other measures were taken in your organization to ensure successful Strategy Implementation?____

____

____

Any other comments on what should be done in your organization to ensure successful strategy implementation;____

____

____

APPENDIX II: LIST OF SUPERMARKETS IN NAIROBI, KENYA

No	Name of Supermarket	No	Name of supermarket
1	Acacia Supermarket	90	Gigiri Supermaket Ltd
2	Access Supermarket	91	Gilani Butchery Ltd
3	Adams Apple Supermarket	92	Luganjo Green Grocers
4	Al – Fatihah Maru Ltd	93	Lulu Center Ltd
5	Alliance Supermarket	94	Mairo Grocers
6	Amici Supermarket	95	Makro Supermarket
7	Andrews Supermarket	96	Manu & Partners
8	Anil's Shoppe Ltd	97	Marketways Ltd
9	Armed Forces Canteen Organization	98	Mega Market Ltd
10	Betccam Savers Supermarket	99	Mesora Supermarket Ltd
11	Bonyake Grocers	100	Metro Cash & Carry (K) Ltd
12	Broadway Supermarket	99	Mid City Services Kenya
13	Builders Supermarkets Ltd	100	Midas Touch Supermarket Ltd
14	Buru Buru Mini Market	101	Mugera & Co Ltd
15	Camesh Investments Ltd	102	Mulika Mini Market
16	Centaline Supermarket	103	Mumsies Supermarket
17	Chandarana Supermarkets Ltd	104	Mustard Mini Market Ltd
18	Charder Electronic Services	105	Muthaiga Mini Market Ltd
19	Citizen Scale Ltd	106	Muthaite Trading Co Ltd
20	City Mattresses Ltd	107	Naafi Groceries
21	Clean Way Ltd	108	Nairobi Wholesalers
22	Clear Cut Supermarket	109	Naivas Supermarket
23	Com Com Electronics Supermarkets	110	Naivasha Matresses Ltd
24	Continental Supermarket Ltd	111	Nakumatt Supermarkets
25	Corner Supermarket	112	Natasha Mini Market
26	Corner Traders	113	Nemchand Narshi & Co Ltd
27	Country Mattresses Ltd	114	New Bharat Ration Store
28	Crown Supermarkets Ltd	115	New Kianderi General Stores
29	Deepak Cash & Carry Ltd	116	New Wagituku Provisional Stores
30	Discount Supermarket	117	New Westlands Stores Ltd
31	Eagle Supermarket	118	Ngong Hills Supermarket Ltd
32	Eastmatt Supermarket	119	Niches Ltd
33	Ebrahim & Co. Ltd	120	Nine to Nine Supermarket
34	Esajo Supermarket	121	Nova Supermarkets Ltd
35	Evergreen Consumer care Ltd	122	Nuru Supermarket
36	Fair Matt Supermarket	123	Nyeri Supermarket
37	Fairlane Supermarkets Ltd	124	Ongata Rongai Supermarket
38	Fairrose Supermarket Ltd	125	Park & Shop Supermarket Ltd
39	Fontana Supermarket	126	Parklands Pricerite Ltd
40	Food & Trade (k) Ltd	127	Pawn Industries Ltd
41	Frankal Ltd	128	Peponi Grocers Ltd
42	Fraza Agencies	129	Portway Stores Ltd
43	Gachuku Emporium	130	Rainbow Self Selection Store
44	Goodfare Stores Ltd	131	Rajes Ration Stores (K) Ltd
45	Green Forest Supermarkets Ltd	132	Raken Supermarket Ltd

46	Green Village	133	Ratilal Makanji Gudka & Co Ltd
47	Guestcare Supermarket	134	Rex Kiosk
48	Happy Valley Supermarket	135	Ridgways Supermarket
49	Harshi Entreprises	136	Right Supermarkets Ltd
50	Highrise provision Supplies	137	Rikana Supermarkets
51	Highway Grocers	138	Rongai Mattresses Ltd
52	Housewives Delight Ltd	139	Rosjam Supermarket
53	Hurlingham Grocers	140	Ruona Enterprises
54	Indcom Entreprises Ltd	141	Rupam Corner Traders Ltd
55	Italian Market (K) Ltd	142	Safari Grocers
56	Jack & Jill Extravaganza Ltd	143	Star Supermarkets Ltd
57	Jack & Jill Supermarket	144	Starehe Supermarkets
58	Jamaa Grocers	145	Stellar Supermarkets
59	Jawa's Supermarket	146	Sunshine Supermarket
60	Jazeer Supermarket Ltd	147	Supervalue Ltd
61	Jesica supermarket & Wholesale	148	Supra Self Selection Stores
62	Jeska Supermarket	149	Times Supermarkets (K) Ltd
63	Jopampa Provision Store	150	Toppsco General Enterprises
64	Joster Mini Market	151	Toyo Industries Ltd
65	Juja Rd Fancy Store Ltd	152	Trolleys & Baskets
66	Juthlal Lalji & Bros	153	Tusker Mattresses Ltd
67	K & A Self Selection Store Ltd	154	Tuskys Supermarkets
68	Kabete Rations	155	Uchumi Supermarkets
69	Kalumos Trading Co Ltd	156	Ukwala Supermarket Ltd
70	Kantaria Commercial Store	157	Umoja Mini Market
71	Kanyaki Supermarket	158	Uncle Jim's Supermarket Ltd
72	Karen Provision Stores Ltd	159	Uthiru Wayside Supermarket
73	Karen Shop, The – Nes Deli	160	Vantage Supermarket Ltd
74	Karen Supermarket Ltd	161	Venture Investments Co Ltd
75	Karia Supermarkets Ltd	162	Villie's Shopping
76	Kenton Supermarket	163	Viraha Enterprises
77	Kidongeo Enterprises	164	Vishal Kenya Ltd
78	Kieni Enterprises	165	Waithaka Green Supplies
79	Kihara Traders	166	Wamason Supermarket Ltd
80	Kileleshwa Green Grocers	167	Weaver Bird Provision
81	Kingangi Traders Ltd	168	Western Provision Stores
82	Kiriku Traders	169	Westlands General Stores Ltd
83	Lambu General Services	170	Westlands Green Grocers Ltd
84	Langata Grocers Ltd	171	Whitestar Supermarket
85	Leadway Supermarkets Ltd	172	Woodly Grocers (1977) Ltd
86	Lilian Grocers	173	Woolmatt Ltd
87	Lucky Stop Supermarket	174	Yaya Selections Ltd
88	Gambo Supermarket	175	Yetu Supermarkets & Distributors
89	Geoanne Grocers		

Source: http://www.yellow.co.ke/supermarkets in Nairobi