STRATEGY IMPLEMENTATION AT KENYA PIPELINE COMPANY LIMITED

BY

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

NOVEMBER 2013

DECLARATION

STUDENT'S DECLARATION

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

Signature……………………………………… Date ……………………..

Lynet Nyarige **REG. NO:D61/62967/2010**

SUPERVISOR'S DECLARATION

This research project has been submitted for examination with my approval as the candidate's University Supervisor.

Signature ……………………………………… Date ……………………..

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DEDICATION

I dedicate this study to my loving husband Caleb and daughters Beverly, Cherie and Kathy.

ACKNOWLEDGEMENT

I would like to express my sincere thanks to my supervisor Prof. Martin Ogutu University of Nairobi, School of Business for supervising this research paper. I am also grateful to my family for giving me the invaluable support to concentrate on this research.

Lastly, i thank the Almighty God as my source of all inspiration in allowing me to undertake this project that is too involving in terms of time and resources.

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ABSTRACT

Strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision-making, or as a result of complete coalitional involvement of implementation through a strong corporate culture. Strikingly, organizations fail to implement about 70 per cent of their new strategies. The objective of the study was to determine factors affecting strategy implementation in at Kenya Pipeline Company Limited, and the challenges affecting strategy implementation at Kenya Pipeline Company Limited.

This was a case study since the unit of analysis was one organization. The researcher used both primary and secondary data. Primary data was collected using an interview guide. The staff in the company included all managers' top, middle and low management level, working at Kenya Pipeline Company Limited. Content analysis was employed to analyze the data. The study found that successful strategy implementation helped a company gain a competitive edge, define the business of the organization, achieve right direction and having its various strategies entrenched and broadly accepted by all the employees guaranteeing successful implementation in the future. Those involved in strategy implementation process in the organization are senior managers, middle level managers, top management and all employees.

The study concludes that successful strategy implementation helped a company gain a competitive edge, define the business of the organization and achieve the right direction. The study concludes that the organization followed five steps in strategy implementation.

SWOT; analyze the gap between internal (S&W's) and eternal (O&T's) environment. Initiatives taken by management in creating and sustaining a climate within the firm that motivates employees in their implementation role were the organization and their managers paying as much attention to planning the implementation of their strategies as they give to formulating them. A top-down/laissez-faire senior management style was used. The study recommends that the management should ensure they employ and deploy qualified and competent individuals. Also, the study recommends that Kenya Pipeline Company Limited should employ monitoring/supervision mechanism, also allocate enough funds to allow project completion. The study also recommends that Kenya Pipeline Company Limited should embark on staff improvement through training.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizations after strategic planning embark on the implementation process (Alexander, 2008). Strategy is implemented through organizational design in which a company selects a combination of organizational structure and control systems that lets it create a sustainable competitive advantage (Hambrick and Cannella, 2009). The primary role of organizational structure and control is to coordinate the activities of employees so that they work together in harmony enabling them to implement a strategy that increases the company's competitive advantage. It also motivates employees and provides them with the incentives to achieve superior efficiency, high quality, innovation and timely customer responsiveness (Lares-Mankki, 2004; Beer and Eisenstat, 2000).

The success of a strategy depends on how well the implementation process is undertaken. Strategy formulation on its own cannot make a company gain competitive advantage over its competitors thus the implementation process is quite essential for a company. However even as organizations undertake to put plan into work, it is not without a number of challenges that face them (Hambrick and Cannella, 2009). Strategy implementation has attracted much less attention in strategic and organizational research than strategy formulation or strategic planning. Alexander (2008) suggest that organizations seem to have difficulties in implementing their strategies like; weak management roles in implementation, lack of communication, lack of commitment to the strategy, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities, and uncontrollable environmental factors (Lares-Mankki, 2004; Beer and Eisenstat, 2000).

This study aims at establishing challenges of strategy implementation at Kenya Pipeline Company limitedthus suggesting appropriate measures of overcoming them in the dynamic business environment.Some of the challenges driving this study include;lack of commitment to the strategy, misunderstanding of the strategy, unaligned organizational systems and resources, inadequate capabilities and uncontrollable environmental factors.

1.1.1 Concept of Strategy Implementation

According to Hill and Garneth (2006), strategy implementation can be referred to as the process in which the planned strategies are translated into carefully implemented action. In other words, this is the action phase. It is the fourth phase in the strategic management process which comes after strategy formulation, analysis of alternative strategies and strategic choice (Marginson, 2002). Pearce and Robinson (2011) observed that to ensure success, the strategy must be translated into guidelines for the daily activities of the firm's members(Chebat, 2009).

The strategy and the firm must also become one such that the strategy is reflected in the way the firm organizes its activities and in the firm's values, beliefs and culture. The company's managers must put into place steering controls that provide strategic control and the ability to adjust strategies, commitments and objectives in response to ever-changing future conditions (Wind and Robertson, 2003). Increasingly, the organization must make a serious commitment to be innovative and must consider bringing the entrepreneurship process into their company to survive, grow and prosper in a vastly more competitive and rapidly changing business arena (Rapa and Kauffman, 2005).

Pearce and Robinson (2011) argued that organizational action is successfully initiated through four inter-related steps. The first step is the creation of clear short term objectives and action plans. Next, are the developments of specific functional tactics to include outsourcing that creates competitive advantage. The third step involves empowerment of operating personnel through policies to guide decisions and lastly the implementation of effective reward systems to motivate personnel and encourage effective results (Wind and Robertson, 2003).To be effectively implemented, a strategy must be institutionalized, that is must permeate the firm's day to day life (Chebat, 2009). They also acknowledged that an effective organizational leadership and the consistency of a strong organizational culture reinforcing norms and behaviors best suited to the organization's mission are two central ingredients in enabling successful execution of a firm's strategies and objectives (Bourgeois and Brodwin, 2004).

According to Pearce and Robinson (2011), since the firm's strategy is implemented in a changing environment, successful implementation requires strategic control (Judson, 2001). This is the ability to steer the firm through an extended future time period when premises, sudden events, internal implementation efforts and the general economic and society developments will be sources of change not anticipated or predicted when the strategy was conceived and initiated. The firm should also have in place operations control systems that monitor performance, evaluate deviations and initiate corrective action (Olson et al. 2005).

1.1.2 The Petroleum Industry in Kenya

Petroleum industry in the global market has attracted many players from developed and developing countries due to increased demand of petroleum products locally and internationally (David, 1999). Due to dynamic business environment, organizations have to formulate, implement and measure their strategies to remain competitive in the market against their competitors (Pearce and Robinson, 2011). The petroleum industry began over five thousand years ago. In the Middle East, petroleum seeping up through the ground was used in waterproofing boats and baskets, in paints, lighting and even for medication (Alexander, 1991). In sub – Saharan Africa, petroleum products represents approximately 60% of all energy produced, with fuel wood still dominating the primary energy balance. Their importance is clearly reflected in their weight as a major source of revenue for the` government. The Government taxes about 40% - 45% of the cost of petroleum products consumed in Kenya. This therefore makes the products more expensive. Petroleum products represent the most important energy source in Kenya (KNBS, 2011).

Kenya has made a major breakthrough in its petroleum exploration efforts. Through the Tullow oil Petroleum Company, Kenya has managed to realize its potential capability of mining petroleum after the Anglo-Irish oil exploration firm, Tullow Oil Company struck petroleum deposit at the Ngamia 1 petroleum exploration site in the Northern region of Turkana. Subsequently due to these recent developments the company has now embarked on a mission to establish the commercial viability of the petroleum deposits at the region. If this is realized, then we shall be rest assured that Kenya shall automatically hit the international petroleum market as yet another petroleum producing country (ERC report, 2012).

According to Muguni(2007), the most frequently encountered strategy implementation problems in the petroleum industry include underestimating the time needed for implementation and major problems surfacing that had not been anticipated. In addition, uncontrollable factors in the external environment prove to be a challenge. The external environment of the petroleum industry that comprises the whole range of economic, social and ecological factors is changing rapidly and it is important for the company to constantly adapt its activities to reflect its new requirements of the environment. The changes in the environment constantly influence what these organizations do, since they have to constantly adjust to these changes to remain successful. David (1999) articulates the view of an environment constantly upsets a plan, should demand for more planning and constant monitoring to keep the organizational performance ready to respond to environmental changes. Thus, strategy becomes the mediating force between the organization and the environment.

The changing trend in political, economic, social and technological environment has necessitated most of the companies like Kenya Pipeline Company (KPC) Limited to align its strategies in order to fit in the competitive business environment. Entry of new players and competitors in the petroleum industry and global economic changes necessitates Kenya Pipeline Company (KPC) Limited to formulate and implement strategies to gain a competitive edge in the oil industry in Kenya and across borders (www.kpc.co.ke).

1.1.3 Kenya Pipeline Company Limited

The Kenya Pipeline Company (KPC) Limited is a State Corporation established on 6th September, 1973 under the Companies Act (CAP 486) of the Laws of Kenya and started commercial operations in 1978 (www.kpc.co.ke). The Company is 100% owned by the Government and complies with the provisions of the State Corporations Act (Cap 446) of 1986. The Company operations are also governed by relevant legislations and regulations such as the Finance Act, the Public Procurement Regulations, and Performance Contracting.The main objective of setting up the Company was to provide efficient, reliable, safe and cost effective means of transporting petroleum products from Mombasa to the hinterland. In pursuit of this objective, the Company constructed pipeline network, storage and loading facilities for transportation, storage and distribution of petroleum products (www.kpc.co.ke).

The Company's other mandate include building a pipeline for the conveyance of petroleum or petroleum products from Mombasa to Nairobi, to own, manage or operate such pipelines and any other pipelines and associated ancillary facilities and to market, process, treat, deal in petroleum products and other products and goods and provide transport and other distributive facilities, outlets and services in connection therewith (www.kpc.co.ke).

1.2 Research Problem.

Okumus and Roper (2008) note that despite the importance of the strategy execution process, far more research has been carried out into strategy formulation while very few have been done into strategy implementation. Alexander (2001) observes that literature is dominated by a focus on long range planning and strategy content rather than the actual implementation of strategies, on which "little is written or researched. The apathy to strategy implementation can be ascribed to several reasons, among them: greater likelihood of failures in implementing strategies; higher complexity in the process of strategy implementation; strategy implementation being considered to be less glamorous than formulation; and practical difficulties in research involving middle-level managers (Alexander, 2008; Rapa and Kauffman, 2005). The primary objectives are somehow dissipated as the strategy moves into implementation and the initial momentum is lost before the expected benefits are realized. Successful implementation is a challenge that demands patience, stamina and energy from the involved managers. The key to success is an integrative view of the implementation process (Rapa and Kauffman, 2005). Given the important role insurance industry play in the economy, it is crucial that the whole process of strategy formulation and implementation need to be successful.

In their research, Bartlett and Ghoshal (2000) found that in all the companies they studied "the issue was not a poor understanding of environmental forces or inappropriate strategic intent. Without exception, they knew what they had to do; their difficulties lay in how to achieve the necessary changes". Strikingly, organizations fail to implement about 70 per cent of their new strategies (Miller et al, 2004). Another recent study is a bit less alarming; it says 40 per cent of the value anticipated in strategic plan is never realized. Corboy and O'Corrbui (2009), identified the deadly sins of strategy implementation, which involve: a lack of understanding of how the strategy should be implemented; customers and staff not fully appreciating the strategy; unclear individual responsibilities in the change process; difficulties and obstacles not acknowledged, recognized or acted upon; and ignoring the day-to-day business imperatives. Several studies have been done on the strategies that the banks have employed over time (Aaltonen and Ikåvalko, 2002, Bourgeois and Brodwin, 2004). However, no known study has been done to explore the factor affecting strategy implementation at Kenya Pipeline Company Limited.

Local studies have been done on the factors affecting strategy implementation. For instance, Muguni (2007) studied the role of executive development in strategy implementation. His was a comparative study of KCB and National Bank of Kenya. The study also did not capture the process of strategy implementation process and the factors affecting its implementation. Given the importance of these processes, the study therefore seeks to fill the gap by investigating factors affecting strategy implementation at Kenya Pipeline Company Limited, Kenya. The study aimedat answering the following question: How is strategy implementation done at Kenya Pipeline Company Limited? What are the factors and the challenges that affect strategy implementation at Kenya Pipeline Company Limited?

1.3 Research Objectives

The objectives of this study were to:

i. Determine how strategy implementation is done at Kenya Pipeline Company Limited.

ii. Determine the factors and challenges facing strategy implementation at Kenya Pipeline Company Limited.

1.4 Value of the Study

The study would also help the Kenya Pipeline Company (KPC) Limited in formulating policies on areas that necessitate strategic implementations. This will enable them gain competitive advantage over other players in the petroleum industry. The management will be proactive in dealing with the challenges that they face in the implementation since they will be anticipated.

The policy makers will obtain knowledge of the petroleum sector dynamics and the process of strategy implementation. They will therefore obtain guidance from this study in designing appropriate policies that will regulate activities of key players in the sector. The study will assist institutions managers in pointing out areas of difficulties in the allocating of resources towards addressing the issue of strategy implementation. Strategic leadership requires the ability to accommodate and integrate both the internal and external business environment of the organization, and to manage and engage in complex information processing.

The study would provide a platform for further research in the area of strategy implementation and in particular the practices that would contribute to successful strategic implementation in petroleum companies in Kenya. The study will also be of importance to future scholars in the field of social responsibility that is currently gaining popularity among a majority of companies in all industries. Future scholars can use this study to enrich on their literature review. This is especially on the challenges of strategy implementation where little literature exists.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter summarizes the information from other researchers who have carried out their research in the same field of study. The specific areas covered here are the concept of strategy, strategy implementation, factors influencing strategy implementation and finally the challenges of strategy implementation.

2.2 Theoretical Review

Strategic management comprises of various theories that support efficient and effective management practices in modern competitive organizations. Some of the theories that have been formulated include; Strategic Management Theory, Human Capital Theory.

2.2.1 Strategic Management Theory

In the theory of strategic behavior, strategic competitiveness is achieved when a firm successfully formulates and implements a value-creating strategy. When a firm implements such strategy and other companies are unable to duplicate it or find it too costly to imitate, this firm has a sustained (or sustainable) competitive advantage, which is also called competitive advantage (Hitt et al., 2005). So, according to the strategic management theory, the main objective of strategic management theory is to help firms to gain competitive advantage in the market competition. A cooperative strategy is one in which firms work together to achieve a shared objective. Strategic alliances, as cooperative strategies in which firms combine some of their resources and capabilities to create a competitive advantage, are the primary form of cooperative strategies (Hitt et al., 2005).

In an era of intense global competition, firms realize that the effective use of proper strategy contributes significantly to their market performance. Increasingly, successful firms use a higher level of strategic alliance to gain competitive advantage. Strategic alliances may enhance a firm's superior performance through the combination of resources and capabilities in unique ways (Murray, 2001). Many firms enter into strategic alliances with a wish to strengthen their competitive advantages in the market. But competitive advantage is an ambiguous term and there is much confusion about the term. Day and Wensley (1988) in their article, "Assessing competitive advantage: a framework for diagnosing competitive superiority," have developed a process that can be used to ensure a thorough assessment of the reasons for competitive success or failure. Day and Wensley propose that a firm, which has superior sources of advantage (superior skills and superior resources)will win a superior position in the markets. A positional advantage will lead in turn to superior performance outcomes such as greater customer satisfaction and loyalty, and obvious result of greater customer satisfaction and loyalty is more market share.

According to Raps (2005), there are ten factors necessary and sufficient for successful strategy implementation, which are: commitment of top management, level of involvement of middle managers, effective communication, having an integrative point of view, clear definition and assignment of responsibilities, the ability to manage change, emphasis on team work, involvement of the human resource factor in the implementation process, inclusion of implementation instruments in the implementation process and the establishment of appropriate time frames while implementing the strategy (Hambrick and Cannella, 2009).

2.2.2 Human Capital Theory

Human Capital theory was proposed by Schultz (1961) and developed extensively by Becker (1964). Schultz (1961) in an article entitled "Investment in Human Capital" introduces his theory of Human Capital. Schultz argues that both knowledge and skill are a form of capital, and that this capital is a product of deliberate entreprise growth. The concept of human capital implies an investment in people through education and training. Schultz compares the acquisition of knowledge and skills to acquiring the means of production. The difference in earnings between people relates to the differences in access to education and health. Schultz argues that investment in education and training leads to an increase in human productivity, which in turn leads to a positive rate of return and hence of growth of organizations.

This theory emphasizes the value addition that people contribute to an organization. It regards people as assets and stresses that investments by organizations in people will generate worthwhile returns. The theory is associated with the resource based view of strategy developed by Barney (1991), the theory proposes that sustainable competitive advantage is attained when the firm as a human resource pool that cannot be imitated or substituted by its rival. For the employer, investment in training and development is a means of attracting and retaining people. These returns are expected to be improvements in performance, productivity, flexibility and the capacity to innovate that should result from enlarging the skills base and increasing levels of knowledge and competence.

Schuller (2000) suggests that the general message in persuasive skills, knowledge and competences are key factors in determining whether organizations and firms will prosper. According to Hessels and Terjesen (2008), human capital refers to an individual's knowledge, skills and experiences related to organizational activity. Previous empirical research have emphasized that human capital is one of the key factor in explaining organizational performance. Brüderl*et al.* (1992) argues that greater human capital enhances the productivity of the founder, which results in higher profits and therefore, lower probability of early exit. Moreover, highly educated managers may also leverage their knowledge and the social contacts generated through the education system to acquire resources required to create their venture (Shane, 2003).

2.3 Strategy Implementation

Historically, numerous researchers in strategic management, and to a lesser extent in strategic marketing, bestowed great significance to the strategic formulation process and considered strategy implementation as a mere by-product or invariable consequence of planning (Aaltonen;Ikavalko,2002). Fortunately, insights in this area have been made recently which temper our knowledge of developing any strategy with the reality of executing that which is crafted (e.g. Miller et al., 2004). However, as strategy implementation is both a multifaceted and complex organisational process, it is only by taking a broad view that a wide span of potentially valuable insights is generated.

Research emphasizing strategy implementation is classified by Burgelman(2004) as part of a first wave of studies proposing structural views as important facilitators for strategy implementation success (Drazin and Howard, 2004). Beyond the preoccupation of many authors with firm structure, a second wave of investigations advocated interpersonal processes and issues as crucial to any strategy implementation effort (Noble, 2009). Conflicting empirical results founded upon contrasting theoretical premises indicate that strategy implementation is a complex phenomenon. In response, generalizations have been advanced in the form of encouraging: early involvement in the strategy process by firm members (Hambrick and Cannella, 2009); fluid processes for adaptation and adjustment (Drazin and Howard, 2004);and leadership style and structure (Gooldand Campbell, 1990).

It is not surprising therefore that strategy implementation is a topic of great interest to both managers and strategy researchers. Indeed, Noble (2009) affirm that an integrative view encompassing both structural and interpersonal views can enhance our understanding of the factors leading to implementation success. Despite the recent interest in strategy implementation research, there is a significant need for more detailed and comprehensive models related to strategy implementation (Noble, 2009). This study aims to rectify this broadness of approach by creating a detailed and comprehensive conceptual model related to strategy implementation. This is done by grounding the work in the roots already established by previous researchers in the area (Noble, 2009).

It is clearly apparent that a current challenge for management lies in implementing strategy rather than formulating it, in creating and sustaining a climate within the firm that motivates employees in their implementation role (Coleman *et al*, 2003). Not all firms implement their strategies in the same manner; nevertheless, research investigating the differing styles of implementation is scarce. Neely (2005)utilises Jungian theory (Jung, 2003) for his framework of implementation style, however, this is very much an analysis of the psychological style of individuals within the firm. More recently, Pettigrew (1992)indicates that implementation appears much more closely tied to the daily activities of mid-level managers (Fiegener, 2005), despite comparably little research attention being entrusted to the factors that induce mid-level managers' implementation success (Bower, 2009).

Sterling (2003) elucidates key reasons for strategy failure. These include unanticipated market changes, failure of buy-in, insufficient buy-in or understanding of the strategy, lack of focus in the allocation of resources, poorly conceived business models, effective competitor responses to a firm's strategy, insufficient resource allocation and not actively considering the strategy on a day to day basis. Strategies can fail because the market conditions change before the strategy can take hold. Effective competitor responses to a firm's strategy can also cause strategy to fail. In order to out-perform the competition, competitive intelligence is a must. When insufficient resources are applied, the strategy will fail. Modeling will aid the executive to make smarter deployment of limited resources.

2.4 Factors Influencing Strategy Implementation

Successful strategy implementation, it is suggested, requires sound mechanisms for directing activity and behavior Otley (2001), especially including effective communication systems as well as appropriate strategic and management controls. The balanced scorecard's four perspectives as manifested in Kaplan and Norton's (2004, p. 10) strategy maps provide "a level of granularity that improves clarity and focus" thereby creating clear direction and, potentially, through the development and publishing of the strategy map, facilitate understanding and coordination across the organization.

The importance of enabling sound two-way communications within organizations is seen as fundamental to the effective implementation of strategy (Rapert et al., 2002), with a particular emphasis on facilitating useful feedback and bottom-up messages (Otley, 2001). The process of creating an organizational balanced scorecard essentially commences with a full strategic appraisal and the clear articulation of the organization’s strategic vision and objectives (Kaplan and Norton, 1992), this process can in itself build consensus and engender learning which can be of enormous value (Neely, 2005).

Through this process of definition and communication of core values throughout an organisation, moreover, the Balanced Scorecard provides an effective “boundary” control system. Then, as the balanced scorecard approach makes explicit the “cause and effect” of a strategy, it also usefully converts strategic aims into tangible objectives and measures (Kaplan and Norton, 1992). This stage, moreover, if the scorecard is implemented participative with measures identified and targets set cooperatively rather than imposed, actively supports organizational learning and reflection, which encourages “interactive” control through the testing of “cause and effect” relationships. This also enables front line managers to have a “basis for selecting among the diverse opportunities they might face” and resisting the distraction of other activities (Beer and Eisenstat, 2000).

In addition to substantially meeting Rapert’s (2002) necessary conditions, the balanced scorecard appears to offer a range of additional attributes that may also support successful strategy implementation. It has been shown that the keys to enabling such communications are an organization’s “middle managers” who have been shown to play a pivotal role and are viewed as strategic “actors” playing an important role in strategic transformation. The scorecard approach encourages the establishment of co-ordinated scorecards at every level of an organization which, when implemented properly, engage middle managers. Such a process not only necessitates considerable active communication involving everyone within an organization (Alexander, 1985; AaltonenandIkåvalko, 2002), it also permits the useful integration of such scorecards with management and employee incentive programmes potentially involving the development of individual/personal scorecards which can be positively utilized to align personal and organization goals and encourage “ownership”. Noble states that, “the degree of involvement across the organization appears to be a predictor of implementation success the scorecard facilitates this involvement throughout the strategy implementation process.

It is further suggested that the balanced scorecard approach should be viewed as a template not a strait-jacket (Kaplan and Norton, 2004, p. 34). Such a standpoint potentially offers organizations a considerable degree of flexibility to address their unique circumstances while still “pulling” management and employees in the core strategic direction. In fact it is argued by some that strict adherence to the scorecards four perspectives cannot be appropriate. This adaptive capacity also assists the balanced scorecard to address Rapert et al (2002) previously noted concerns regarding “matching” appropriate control mechanisms to different levels of environmental turbulence and an organization’s ability to identify and monitor its strategic objectives.

2.5 Challenges of Strategy implementation

Organizations seem to have difficulties in implementing their strategies, however. Researchers have revealed a number of problems in strategy implementation for example weak management roles in implementation, a lack of communication, lacking a commitment to the strategy, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities, and uncontrollable environmental factors (Alexander, 1991; Giles, 1991; Galpin, 1998; Lares-Mankki, 2004; Beer and Eisenstat, 2000).Woolridge and Floyd (2000) note “It can be much easier to think of a good strategy than it is to implement it”. Much of the shortcomings in the strategy area are attributable to failures in the implementation process rather than in the formulation of strategy itself (Beer et al., 2000; Woolridge and Floyd, 2000). The available literature in the 2000s on strategy implementation was examined in order to identify potential strategy implementation challenges. Of the 22 identified earlier by Alexander (1991) only 15 implementation problems have been cited.

Galbraith (1980) indicated that most companies attempting to develop new organization capacities stumble over these common organizational hurdles: competence, coordination, and commitment. These hurdles can be translated into the following implementation problems: Coordination of implementation activities was not effective enough, Capabilities of employees were insufficient, Training and instruction given to lower level employees were inadequate, and Leadership and direction provided by departmental manager were inadequate(Beer et al., 2000; Woolridge and Floyd, 2000).

Winkler (1987) stated clearly that most of the individual barriers to strategy implementation that have been encountered fit into one of the following interrelated categories: too many and conflicting priorities, the top team does not function well; a top down management style; interfunctional conflicts; poor vertical communication, and inadequate management development. These categories can be translated into the following problems: Competing activities distracted attention from implementing this decision, Changes in responsibilities of key employees were not clearly defined, Key formulators of the strategic decision did not play an active role in implementation, and Problems requiring top management involvement were not communicated early enough.

Stiles (2001) claimed that a strategic change can be successfully implemented through a four-stage process: Assess the organizational capabilities and behavior needed to move from what the company is to what it needs to become, Determine what work processes would be required to implement the strategy and design current work processes to fit those requirements, Identify what information needs the work processes generate, and determine what information systems and databases would be required to meet those needs and Determine which organizational structure would best support those work processes. This strategic change model can be translated into the following implementation problems: Key implementation tasks and activities were not sufficiently defined, Information systems used to monitor implementation were inadequate, and overall goals were not sufficiently well understood by employees. Giles (1991) found that there are six areas of vital importance to long term successful strategy implementation. These areas are: market, people, finance, operation, adaptability, and environment.

The following implementation problems can be derived from the above mentioned areas: Uncontrollable factors in the external environment had an adverse impact on implementation; Major problems surfaced which had not been identified earlier. Galpin (1998) indicated that the political turbulence may well be the single most important issue facing any implementation process. Consequently, the following problem may occur: Advocates and supporters of the strategic decision left the organization during implementation. Feigner (2005) argued that people underestimate the commitment, time, emotion, and energy needed to overcome inertia in their organization and translate plans into action. Based on this, the following implementation problem was formulated: Implementation took more time than originally allocated. Clearly, the recent literature survey shows implementation challenges cited 15 years ago still recurring. Hence, it is worthwhile to examine which of these are actually taking place in reality.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter is a blueprint of the methodology that was used by the researcher to find answers to the research question. In this chapter the research methodology will be presented in the following order, research design, data collection and finally the data analysis.

3.2 Research Design

This was a case study since the unit of analysis was one organization. This was a case study aimed at getting detailed information regarding Kenya Pipeline Company Limited factors affecting strategy implementation. A case study allows an investigation to retain the holistic and meaningful characteristics of real life events (Kothari,2012). Case study involves a careful and complete observation of social units. It is a method of study in depth rather than breadth and places more emphasis on the full analysis of a limited number of events or conditions and other interrelations(Cooper & Schindler,2010). Primarily data collected from such a study is more reliable and up to date.

3.3 Data Collection

The researcher used both primary and secondary data. Primary data was collected using an interview guide. The interview guide had open-ended questions. The open-ended questions enabled the researcher to collect qualitative data. This was used in order to gain a better understanding and possibly enable a better and more insightful interpretation of the results from the study. The interview guide used in this study comprised of two sections. The first part related to the demographic and operational characteristics of the respondents. The second part was devoted to the identification of the responses to factors affecting strategy implementation at Kenya Pipeline Company Limited where the main issues of the study was to be put into focus.

The staff in the company included all managers top, middle and low management level,workingat Kenya Pipeline Company Limited. This made it easier to get adequate and accurate information necessary for the research because they are the people who are involved in strategy implementation at Kenya Pipeline Company Limited and were conversant with the factors and challenges faced during the strategy implementation process.

3.4 Data Analysis

Before processing the responses, the completed interview guide was edited for completeness and consistency. The content analysis was used to analyze the respondents' views about the factors affecting strategy implementation at Kenya Pipeline Company Limited. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study. It involves observation and detailed description of objects, items or things that comprise the sample.

The content analysis will be used to analyze the respondents' views about the strategic responses to the changing environment in Kenya pipeline Company limited this will help bring out common data from the various responses collected. This ensures that any unanticipated themes are given the chance to emerge from the data.The data will then be presented in a continuous prose as a qualitative report.The data to be obtained will be compared with existing literature in order to establish areas of agreement and those that are of the contrary opinion in order to establish facts.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents analysis, results and discussions of the study. The study findings are presented on strategy implementation at Kenya Pipeline Company Limited, factors affecting strategy implementation at Kenya Pipeline Company Limited, and the challenges facing strategy implementation at Kenya Pipeline Company Limited. In-depth information was gathered from senior members of staff at the Company namely, the human resource manager, finance manager, operations manager, ICT manager, audit manager,Business Development Manager.

4.2 Strategy Implementation at Kenya Pipeline

On the question of how strategy implementation is done at Kenya Pipeline Company Limited.The interviewees response was that, the Company is able to position and relate itself to the environment to ensure its continued success and also secure itself from surprises brought about by the changing environment during strategy implementation. This is done by including qualified people with skills, attitudes, capabilities, experiences and other characteristics required by a specific task or position. The interviewees also indicated that staff are taken through the change management sessions to appreciate the new strategy which engages then and ensures that the new strategy kicks off well.

The stages of strategy implementation at the Kenya Pipeline Company Limited are SWOT: look at strengths, weaknesses, opportunities and threats. Analyze the gap between their internal (S&W's) and external (O&T's) environment. Using the firm's value's, they are able to determine courses of actions, possibly via scenario planning, and select according to what they feel is likely or possible, or extremely attractive or threatening. Doing things like getting the resources, staff, incentive structures etc, the firm commences implementation. Final step is strategic control, where implementation is checked to see if it is being executed as expected, checked to see if the outcomes are actually those that are sought, and the premises used during the SWOT are checked to see if they have changed.

In responseto what it takes to implement strategy at Kenya Pipeline Company Limited the respondents indicated thatthe company is optimistic that their current operating performance will be sustained in the future. The importance of management ability, or competence, in achieving successful strategy implementation is top management's strategic choices. It reflects favorably on choices made in other parts of the organization. Strategic level manager's demographic characteristics are examined for the formulation and implementation of strategic decisions. Those in the organization understand each important detail in management's intended strategy. The organization takes collective action; the strategy must make as much sense to each of the members in the organization as they view the world from their own context, as it does to top management. The collective intentions are realized with little unanticipated influence from outside political, technological, or market forces.

In response to the question of the strategy implementation tool used at Kenya Pipeline Company, the respondents indicated that they look at their core competencies which add strategic value to the organization’s products or services which are very difficult to be duplicated. This has enabled Kenya Pipeline to maintain its position as a monopoly.They also indicated that they do a gap analysis that looks at the company's current position and its objectives of where it wants to be in future and as a result activities and programs are outlined which close this gaps. They also mentioned the Key performance indicators which are measures it uses to assess progress towards the strategic objectives and this helps it to monitor how well they are doing with regards to their objectives.

To the question of whether there are sufficient resources for successful strategy implementation the interviewees responded that the requirements for a successful strategy implementation at the Kenya Pipeline Company Limited are budgetary, human resource, institutional and procedural which have implications on implementing the strategy. Budgets are prepared by every section of each department to deliver the departments initiatives.The Company's performance is also aligned to strategy and all staff have roles that have an effect on strategy.All supervisors ensure that employees working under them understand their role and contribution to strategy delivery and performance.

4.3 Factors affecting strategy implementation

To the question of factors that affect strategy implementation at Kenya Pipeline Company Limited the respondents indicated that some of the factors are; strong management roles in implementation, good communication, commitment to the strategy, awareness or understanding of the strategy, aligned organizational systems and resources, good coordination and sharing of responsibilities, adequate capabilities, and controllable environmental factors.

Asked about the role that management plays in strategy implementation the interviewees responded that initiatives are taken by management in creating and sustaining a climate within the firm that motivates employees in their implementation role within the organization and the managers pay as much attention to planning the implementation of their strategies as they give to formulating them.It also involves top management commitment to the strategy implementation process, effective leadership that drives the implementation process, employee commitment to the strategy process, rewards and incentives that encourage employees to contribute their best to the implementation process. Cultivation of strong cultural values which helps to meet the changing organizational needs.Those involved in strategy implementation process in the organization are senior managers, middle level managers and top management and all the other employees. Communication is a key success factor within strategy implementation. Role of communication in the process of strategy implementation at Kenya Pipeline Company Limited is acting as an effective vehicle for focusing the employees' attention on the value of the selected strategy to be implemented.

On whether the staff at Kenya Pipeline participates in the implementation process the interviewees mentioned that , the effect of involvement of firm members in the strategy process on successful strategy implementation enables good performance at the organization. With people as part of the service, no service business can afford to divorce its customer contact employees from the firm's marketing strategy. The firm members need both technical and interpersonal skill to succeed. They do their job quickly and accurately, but do so while relating well with customers. Contact employees represent the organization and directly influence customer satisfaction; they perform the role of marketers, thus careful recruitment, training and ongoing mentoring of employees contribute to improvements in both productivity and service quality.Theimpact of human resource development on effective strategy implementation at the organization is creating and sharing an organizational goal, acting as a role model, encouraging creativeness, providing support for employees, and allowing employee participation in making job-related decisions.

To the question of the effect of communication systems on strategy implementation at Kenya Pipeline Company Limited the respondents mentioned that the style /model of strategy implementation employed at the Kenya Pipeline Company Limited is top-down/laissez-faire senior management style which has several challenges which include unclear strategic intentions and conflicting priorities; an ineffective senior management team; poor vertical communication; weak co-ordination across functions, businesses or borders; and inadequate down-the-line leadership skills development. All the above factors affect strategy implementation and if they are not controlled then they negatively affect the company's performance.

Probed further about the effects of communication systems have on strategy implementation at Kenya pipeline Companythe respondents answered that they include poor or lack of understanding of the strategy by those required to implement it due to inadequacies in relaying of information to the intended teams. Lack of involvement of all which causes staff not to fully appreciate the strategy thus impacting negatively on the company. This may cause delays to the intended strategy and may cause it not to be implemented at the required time.

Asked about what Change management at Kenya Pipeline Company limited involves,the interviewees responded that communication from the top management ensures that all employees understand why there is need to change. The management first communicates to the staff explaining the vision clearly and then forms a team that leads the rest of the staff in embracing this vision which enables the management to succeed in avoiding resistance which might lead to failure of the change in taking place.The staff are well trained on their roles across all the departments and all cadres of staff are then assigned certain roles that allows the vision to be effective and successful.

In response to what can minimize the effects the factors have on the implementation process the interviewees respondents mentioned that the strategy implementation practices employed by Kenya Pipeline Company Limited are understanding customer expectation, marketing research and market segmentation. A service organization cannot serve an entire market for a particular service as customer needs and wants are diverse. It must identify segments of a market that it can serve most effectively. A market segments consists of a large identifiable group within a market with similar wants, purchasing power, among other attributes. Service positioning is also used whereby a firm establishes and maintains a distinctive place for itself and its offerings in the market, it is said to be successfully positioned.

4.4 Challenges facing strategy implementation

The interviewees indicated that they face the challenge of strategy implementation time being underestimated and thus most of the implementers have a deadline that is merely an approximation due to the occurrence of unexpected developments. According to some interviewees, their organization experiences delays by external business partners in providing the expected support in time.

To the question on some of the challenges that surface during strategy implementation that had not been anticipated, the interviewees said that political turbulence was the most important issue facing any implementation process. Other challenges include supporters of the strategic decision leaving the organization during implementation, change of guiding policies by umbrella bodies, systems breakdown, low or underestimated budget allocation and underestimation of the commitment, time, emotion, and energy needed to overcome inertia in their organization and translate plans into action.

Other factors in the external environment that had an adverse impact in strategy implementation at the organization were indicated by the interviewees as increasingly sophisticated customers and management practices, escalating globalization, more prevalent and subtle product differentiation, credit crunch, political environment, breakneck competition from other petroleum companies.

The interviewees indicated that some of competing activities that cause distractions inhibiting strategy implementation include too many conflicting priorities, advertisement/promotion, well versed customers, door to door sale and the organizations trying to cope with competition in the industry hence losing perspective of its strategy. The interviewees further indicated the challenges posed by the inadequacy of information systems used to monitor strategy implementation include the implementers not knowing how effective the strategy implementation has been, may lead to loss of opportunities, lack of timely feedback and false report on progress and consequently ultimate failure.

In response to the question of the challenges posed by customers and staff not fully appreciating the strategy implementation, the interviewees indicated that they faced challenges of criticism, lack of cooperation, strategy failure and implementation delays. The interviewees, on the impact of poor communication and diminished feelings of ownership and commitment by employees to strategy implementation, said that it resulted to delayed results, wastage of resources, loss of business, and rejection of the strategy, demotivation and lack of commitment to new ideas.

To the question on the challenges caused by ineffective coordination and poor sharing of responsibilities of strategy implementation activities, the interviewees said that they caused challenges of delayed implementation, overworking of some workers, errors of commission, omission and duplication and some employees not full appreciating their sense of belonging to the company as most issues are implemented without their input. An employee therefore feels demotivated and disowned as a result of not being given much attention.

According to the interviewees, other challenges faced in strategy implementation at their organizations include: poor planning, lack of support from top management, non involvement of all staff, inadequate know how on the key stages of implementation, poor coordination, poor communication, unclear strategic intentions, conflicting priorities, unawareness or misunderstanding of the strategy, unaligned organizationalsystems and resources, competing activities and uncontrollable environmental factors.

The researcher further asked the interviewees to suggest the possible solutions to the challenges of strategy implementation at the Kenya Pipeline Company Limited. According to the interviewees, the solution to the problems include continuous training on how the strategy should be implemented; involvement of staff in decision making, consider piloting before rolling it out to everyone, appraise achievements, sharing responsibility, efficient communication, defined and clear process flow.

4.5 Discussions of Findings

Effectiveness of strategy implementation is, at least in part, affected by the quality of people involved in the process Govindarajan (1989). Here, quality refers to skills, attitudes, capabilities, experiences and other characteristics of people required by a specific task or position. The study collates with the literature where Govindarajan (1989), explains the importance of management ability, or competence, in achieving successful strategy implementation, where the study found that the management should be competent so as to ensure good strategy objective setting, achieve strategic awareness, manage resistance to strategy implementation, giving a clear guidance, sustain vigorous strategy implementation efforts, align structure to strategy, envision change for future competences and critically assess current strategy.

The researcher further found that senior managers, directors, middle managers, departmental heads and other lower level employees are involved in strategy implementation process at the Kenya Pipeline Company Limited but the middle level managers play the pivotal role in the implementation. This is in line with the literature review where Noble (2009) argues that It is not surprising therefore that strategy implementation is a topic of great interest to both managers and strategy researchers. He further affirms that an integrative view encompassing both structural and interpersonal views between can enhance senior managers, directors, middle managers, departmental heads understanding of the factors leading to implementation success.

On the role that communication plays in the process of strategy implementation at Kenya Pipeline Company Limited, the researcher found out that proper communication of strategic awareness can act as a cohesive force and succeed in connecting those with ultimate responsibility for organizations with those who directly implement policies. This is in line with the literature review where Otley (2001) observes that communication is important in every aspect of strategy implementation, and it is related in a complex way to organising processes, organizational context and implementation objectives which, in turn, have an impact on the implementation process and also enhances timely feedback on the progress and challenges met in the process of strategy implementation. Successful strategy implementation, it is suggested, requires sound mechanisms for directing activity and behavior ,especially including effective communication systems as well as appropriate strategic and management controls.

The balanced scorecard's four perspectives as manifested in Kaplan and Norton's (2004, p. 10) strategy maps provide “a level of granularity that improves clarity and focus” thereby creating clear direction and, potentially, through the development and publishing of the strategy map, facilitate understanding and coordination across the organization.The researcher also found that effective communication throughout the organization leads to a clear understanding of key roles and responsibilities of all stakeholders including middle managers, whose role is often pivotal and ensures that everybody understands success levels at all times. This collates with earlier findings by Rapert,Velliquette and Garretson (2002) who found out that the importance of enabling sound “two-way” communications within organizations is seen as fundamental to the effective implementation of strategy, with a particular emphasis on facilitating useful feedback and “bottom-up” messages.

On the impact of management development programmes/training on effective strategy implementation at Kenya Pipeline Company Limited, the researcher found that training instills to the employees a set of management competencies which it is hoped will deliver better competitive and commercial practice; Staff training is an important contributor to individual and group motivation; training can increase staff involvement in the organization, improve communication between peers; facilitate change, eliminates confusion since everybody understands his or her role. According to Rapert's (2002), training is a necessary condition, the balanced scorecard appears to offer a range of additional attributes that may also support successful strategy implementation.

On the effect of early involvement of firm members in the strategy process on successful strategy implementation, the study found that early involvement of firm members in the strategy process helped members understand super-ordinate goals, style, and cultural norms and thus become essential for the continued success of a firm strategy implementation. It also prevents them from being taken by surprise, puts all members at the same platform, and helps the employees to own the process thus ensuring better results. Further, early involvement of firm members in the strategic plans and decisions taken by the firm are essential to their progress and development within their organizational environments. Involving staff in such processes increase their confidence and sense of ownership of new policies and changes which in turn contribute to their personal and professional motivation towards successful strategy implementation. These findings are similar to the ones on previous research by Hambrick and Cannella(1989) who established that strategy is implemented through organizational design in which a company selects a combination of organizational structure and control systems that lets it create a sustainable competitive advantage. The primary role of organizational structure and control is to coordinate the activities of employees so that they work together in harmony enabling them to implement a strategy that increases the company's competitive advantage.

On initiatives taken by management in creating and sustaining a climate within the firm that motivates employees in their implementation role, the researcher found that the management has taken initiatives that include encouraging teamwork, maintaining a powerful culture that results in employees aligning their individual goals and behaviors with those of the firm, continuous staff training and development, implementing reward and benefits systems including frequent recognition given in less formal ways, ensuring a conducive working condition by focusing on relations between peers through effective staff meetings that allow opportunities for discussion and interaction and proper communication. The style /model of strategy implementation employed at the firm is the top down model. According to Kaplan and Norton (1992), it is clearly apparent that a current challenge for management lies in implementing strategy rather than formulating it, in creating and sustaining a climate within the firm that motivates employees in their implementation role .

On other factors leading to strategy implementation success at the Kenya Pipeline Company Limited, the research found that factors leading to strategy implementation success include clear aims and planning, a conducive climate, giving implementation priority, having abundant resources, an appropriate structure and implementing flexibly, organizational structure, control mechanisms, strategic consensus, leadership and positive attitude towards strategy implementation success. According to Otley (2001), successful strategy implementation, it is suggested, requires sound mechanisms for directing activity and behavior ,especially including effective communication systems as well as appropriate strategic and management controls.

The research found that the organization faces the challenge of strategy implementation with time being underestimated and thus most of the implementers have a deadline that is merely an approximation due to the occurrence of unexpected developments and also experience delays by external business partners in providing the expected support in time. Alexander (1991) points out that organizations seem to have difficulties in implementing their strategies, however. Researchers have revealed a number of problems in strategy implementation for example weak management roles in implementation, a lack of communication, lacking a commitment to the strategy, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities, and uncontrollable environmental factors.

On some of the challenges that surface during strategy implementation that had not been anticipated, the research found that political turbulence was the most important issue facing any implementation process. Other challenges include supporters of the strategic decision leaving the organization during implementation, change of guiding policies by umbrella bodies, system breakdown, low or underestimated budget allocation and underestimation of the commitment, time, emotion, and energy needed to overcome inertia in their organization and translate plans into action. Galbraith (1980) indicated that most companies attempting to develop new organization capacities stumble over these common organizational hurdles: competence, coordination, and commitment. These hurdles can be translated into the following implementation problems: Coordination of implementation activities was not effective enough, Capabilities of employees were insufficient, Training and instruction given to lower level employees were inadequate, and Leadership and direction provided by departmental manager were inadequate.

Other factors in the external environment that had an adverse impact in strategy implementation at the Kenya Pipeline Company Limited were found to include increasingly sophisticated customers and management practices, escalating globalization, more prevalent and subtle product differentiation, credit crush, political environment, breakneck competition from other petroleum companies. Winkler (1987)stated clearly that most of the individual barriers to strategy implementation that have been encountered fit into one of the following interrelated categories: too many and conflicting priorities, the top team does not function well; a top down management style; interfunctional conflicts; poor vertical communication, and inadequate management development.

The research found that some of competing activities that cause distractions inhibiting strategy implementation include too many conflicting priorities, advertisement/promotion, well versed customers, door to door sale and the firm trying to cope with competition in the industry hence losing perspective of its strategy. The research further found that the challenges posed by the inadequacy of information systems used to monitor strategy implementation include the implementers not knowing how effective the strategy implementation have been, may lead to loss of opportunities, lack of timely feedback and false report on progress and consequently ultimate failure. Stiles (2001) claimed that a strategic change can be successfully implemented through a four-stage process: Assess the organizational capabilities and behavior needed to move from what the company is to what it needs to become, Determine what work processes would be required to implement the strategy and design current work processes to fit those requirements.

On the challenges posed by customers and staff not fully appreciating the process of strategy implementation, the research found that they faced challenges of criticism, lack of cooperation, strategy failure and implementation delays. The research, on the impact of poor communication and diminished feelings of ownership and commitment by employees to strategy implementation, found that it resulted to delayed results, wastage of resources, loss of business, and rejection of the strategy, demotivation and lack of commitment to new ideas. Giles (1991)found that there are six areas of vital importance to long term successful strategy implementation. These areas are: market, people, finance, operation, adaptability, and environment.

On the challenges caused by ineffective coordination and poor sharing of responsibilities of strategy implementation activities, the research found that they caused challenges of delayed implementation, overworking of some workers, errors of commission, omission and duplication which leads to ineffiencies which could easily avoided by involving the right team members.

Other challenges faced in strategy implementation at the firm include poor planning lack of support, non involvement, inadequate knowhow on the key stages, poor coordination, poor communication, unclear strategic intentions, conflicting priorities, unawareness or misunderstanding of the strategy, unaligned organizationalsystems and resources, competing activities and uncontrollable environmental factors. These collated with Beer and Eisenstat's (2000).The research further found the possible solutions to the challenges of strategy implementation at the Kenya Pipeline Company Limited include continuous training on how the strategy should be implemented; involvement of staff in decision making, consider piloting before rolling it out to everyone, appraise achievements, sharing responsibility, efficient communication, defined and clear process flow.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings from chapter four, and it also gives the conclusions and recommendations of the study based on the objectives of the study. The objectives of this study wereto determine strategy implementation at Kenya Pipeline Company Limited ,factors affecting strategy implementation at Kenya Pipeline Company Limited and the challenges facing strategy implementation at Kenya Pipeline Company Limited.

5.2 Summary of the Findings

The study aimed at investigating how strategy implementation is done at Kenya Pipeline Company,factors affecting strategy implementation at Kenya Pipeline Company Limited and the challenges facing strategy implementation at Kenya Pipeline Company Limited.

5.2.1 Importance of strategy implementation

The study found that successful strategy implementation helped a company gain a competitive edge, define the business of the organization, achieve right direction and having its various strategies entrenched and broadly accepted by all the employees guaranteeing successful implementation in the future. Kenya Pipeline Company Limited is able to position and relate itself to the environment to ensure its continued success and also secure itself from surprises brought about by the changing environment during strategyimplementation which could impact on it negatively and hence lead to its downfall giving competitors an opportunity to emerge.

The importance of management ability, or competence, in achieving successful strategy implementation in top management's strategic choices tends to be successful when it reflects favorably on choices made in other parts of the organization. The collective intentions must be realized with little unanticipated influence from outside political, technological and market forces. This helps an organization to survive long maintaining its competitive position in the market.

5.2.2 Factors affecting strategy implementation

The study found that the organization followed the steps of strategy implementation of SWOT that is it looks at the firm’s strengths, weaknesses, opportunities, threats and analyzes the gap between the firm’s internal (S&W's) and eternal (O&T's) environment. It uses the firm's value's, to determine courses of actions, possibly via scenario planning, and select according to what the firm feel is likely or possible, or extremely attractive or threatening. Doing things like getting the resources, staff, incentive structures etc., the firm commenced implementation. Final step is strategic control, where implementation is checked to see if it is being executed as expected, checked to see if the outcomes are actually those that are sought, and the premises used during the SWOT are checked to see if they have changed.

Those involved in strategy implementation process in the organization are senior managers, middle level managers and top management and all employees. Role of communication in the process of strategy implementation at Kenya Pipeline Company Limited is acting as an effective vehicle for focusing the employees' attention on the value of the selected strategy to be implemented. Impact of human resource development on effective strategy implementation at the organization is creating and sharing an organizational goal, acting as a role model, encouraging creativeness and providing support for employees.

The effect of involvement of firm's members in the strategy process is successful strategy implementation and good performance of the organization. Initiatives taken by management in creating and sustaining a climate within the firm that motivates employees in their implementation role with the organization and their managers paying as much attention to planning the implementation of their strategies as they give to formulating them. The requirements for a successful strategy implementation at the Kenya Pipeline Company Limited are budgetary, human resource, and institutional, and procedural implications of implementing the strategy.

The style /model of strategy implementation employed at the Kenya Pipeline Company Limited. The strategy implementation practices employed by Kenya Pipeline Company Limited are understanding customer expectation, marketing research and market segmentation. The other factors leading to strategy implementation success at Kenya Pipeline Company Limited are strong management roles in implementation, good communication, commitment to the strategy, awareness or understanding of the strategy, aligned organizational systems and resources, good coordination and sharing of responsibilities, adequate capabilities, and controllable environmental factors.

5.2.3 Challenges Facing Strategy Implementation

Some of the challenges that surface during strategy implementation had not been anticipated; the research found that political turbulence was the most important issue facing any implementation process. External environment had an adverse impact in strategy implementation at the Kenya Pipeline Company Limited which include increasingly sophisticated customers and management practices, escalating globalization, more prevalent and subtle product differentiation, credit crush, political environment, breakneck competition from other petroleum companies. Some of competing activities that cause distractions inhibiting strategy implementation include too many conflicting priorities, advertisement/promotion, well versed customers, door to door sale and the organization trying to cope with competition in the industry hence losing perspective of its strategy.

Challenges posed by the inadequacy of information systems used to monitor strategy implementation include the implementers not knowing how effective the strategy implementation has been, may lead to loss of opportunities, lack of timely feedback and false report on progress and consequently ultimate failure. Kenya Pipeline Company as a result created a customer Service centre that ensures prompt responses to customer queries at all time and sends updated reports to customers as and when required, including scheduling of meetings to ensure that customers are kept updated at all times.

Challenges being posed by customers and staff not fully appreciating the strategy implementation, the research found that they faced challenges of criticism, lack of cooperation, strategy failure and implementation delays. On the impact of poor communication and diminished feelings of ownership and commitment by employees to strategy implementation, the research found that it resulted to delayed results, wastage of resources, loss of business, rejection of the strategy, demotivation and lack of commitment to new ideas.

On the challenges caused by ineffective coordination and poor sharing of responsibilities of strategy implementation activities, they caused challenges of delayed implementation, overworking of some workers, errors of commission, omission and duplication. Other challenges faced in strategy implementation at the firm include poor planning, lack of support, non-involvement, inadequate knowhow on the key stages, poor coordination, poor communication, unclear strategic intentions, conflicting priorities, unawareness or misunderstanding of the strategy, unaligned organizationalsystems and resources, competing activities and uncontrollable environmental factors.

5.3 Conclusions about the study.

The study concludes that successful strategy implementation helped a company gain a competitive edge, define the business of the organization, achieve right direction. Kenya Pipeline Company Limited is able to position and relate itself to the environment to ensure its continued success and also secure itself from surprises brought about by the changing environment during strategy implementation. The collective intentions must be realized with little unanticipated influence from outside political, technological, or market forces.

The study concludes that the organization followed the following steps in strategy implementation. SWOT, analyze the gap between your internal (S&W's) and eternal (O&T's) forces/environment. Those involved in strategy implementation process in the organization are senior managers, middle level managers and top management and all the other employees. The impact of human resource development on effective strategy implementation at the organization is creating and sharing an organizational goal, acting as a role model, encouraging creativeness, providing support for employees.

Initiatives are taken by management in creating and sustaining a climate within the firm that motivates employees in their implementation role with managers paying as much attention to planning the implementation of their strategies as they give to formulating them. A top-down/laissez-faire senior management style is used. The strategy implementation practices employed by Kenya Pipeline Company Limited Company are understanding customer expectation, marketing research and market segmentation. The other factors leading to strategy implementation success at Kenya Pipeline Company Limited Company are strong management roles in implementation, good communication, commitment to the strategy, awareness or understanding of the strategy, aligned organizational systems and resources, good coordination and sharing of responsibilities, adequate capabilities, and controllable environmental factors.

5.4 Recommendations For The Study

The study recommends that the management should ensure that they employ and deploy qualified and competent individuals. The study recommends that Kenya Pipeline Company Limited should employ monitoring/supervision mechanism, also allocate enough funds to allow project completion. This will go a long way in improving the services to Kenya Pipeline Company Limited customer by improving its image.

The study also recommends that Kenya Pipeline Company Limited should embark on staff improvement through training and offering conducive environment for their work to improve their productivity which in turn will win support from the staff and thus make strategy implementation a reality in Kenya Pipeline Company Limited.This encourages staff to work hard in their respective areas to achieve the set out targets and to improve on areas where they don't meet the objectives. Staff must be given incentives as this motivates them to put in extra effort.

5.4.1 Recommendation for Policy and Practice

The study will facilitate the policy makers in institutions to be aware of specific needs in the strategy implementation such as communication, coordination, planning and staff motivations. The findings of the study will be beneficial to the petroleum industry in implementing superior policies that will enhance customers service and hence more penetration of the market.

The study will also assist stakeholders and interested parties in understanding the challenges of strategy implementation in the petroleum industry and how to overcome them.This will enhance their knowledge on how to go about the process of strategy implementation by avoiding the areas that may cause failure and getting focused on areas that may lead to successful strategy implementation.

5.5 Limitations ofthe Study

Non response because of fear to reveal detailed information concerning the organization due to fear of exposing the challenges the organization was facing in strategy implementation and the confidentiality of such information in terms of business practices. The researcher foresaw a challenge in collecting the required data from the respondents. The respondents feared giving information stating that the information requested may be used against them.

To limit the effects of this limitation, the researcher carried with her an introduction letter from the University confirming that the data requested was used for academic purposes only.

Lack of co-operation from some of the respondents for fear of victimization from their supervisors.The researcher also foresaw a challenge where the respondents were likely to give the ideal scenario instead of providing the situation the way it was at that time. This affected research findings as it distorted the study findings.

5.6Suggestions for further research.

The study was only carried out in Kenya Pipeline Company Limited thus the same study should be carried out in the other petroleum companies to find out if the same results will be obtained. Currently, there are several oil marketers in the country that can provide answers to some areas of research and hence give a contribution to knowledge.

Strategy implementation is also done in other industries. The study focused on petroleum industry thus a further study need to be carried out in other industries to enhance more understanding in this area of strategy implementation. This will help show where there are similarities and differences in the process of strategy implementation in the various industries.

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APPENDIX

Appendix 1: Interview Guide

STRATEGY IMPLEMENTATION AT KENYA PIPELINE COMPANY LIMITED

Section A: Background Information

1. State your gender?

   ……………………………………………………………………………

2. What is your highest academic qualification?

3. Position at Kenya Pipeline Company Limited? …………………………………….

4. How long have you been in the petroleum industry?

Section B: Strategy Implementation at Kenya Pipeline

5. How is Strategy Implementation done at Kenya Pipeline Company Limited?

   ………………………………………………………………………………………………

6. What does it take to implement strategy at Kenya pipeline?

   ………………………………………………………………………………………………

7. What strategy implementation tools are used at Kenya pipeline?

   ………………………………………………………………………………………………

8. Are there sufficient resources for successful execution of the implementation process?

………………………………………………………………………………………

Section C: Factors Affecting Strategy Implementation at Kenya Pipeline Company Limited

9. What are the factors that affect strategy implementation at Kenya Pipeline Company limited?

   ....

10. What is the role of management in strategy implementation at Kenya Pipeline?

....

11. Does the staff at Kenya Pipeline participate in the implementation process?

....

12. How is change management done at Kenya pipeline?

....

13. What is the effect of communication systems on strategy implementation at Kenya Pipeline Company Limited?

    ....

14. How does management controls ensure effective strategy implementation process?

………………………………………………………………………………………

15. In your own opinion what can you say should be done during the strategy implementation process to ensure the effects the factors have on the process are minimized?..

Section D: Challenges Facing Strategy Implementation

16. What strategic implementation challenges do you encounter during the process of strategy implementation?

…………………………………………………………………………………………

17. What are some of the challenges that surface during strategy implementation that had not been anticipated?

…………………………………………………………………………………………

18. Are too many and conflicting priorities in the company a challenge to successful strategy implementation?

…………………………………………………………………………………………

19. What are some of competing activities that cause distractions inhibiting strategy implementation?

…………………………………………………………………………………………

20. What are the challenges posed by the inadequacy of information systems used to monitor strategy implementation?

…………………………………………………………………………………………

21. What challenges are posed by customers and staff not fully appreciating the strategy on strategy implementation?

…………………………………………………………………………………………

22. What is the impact of poor communication and diminished feelings of ownership and commitment by employees to strategy implementation?

…………………………………………………………………………………………

23. What are the challenges caused by ineffective coordination and poor sharing of responsibilities of strategy implementation activities?

…………………………………………………………………………………………

24. What are the other challenges you face in strategy implementation at the Kenya Pipeline Company Limited?…………………………………………………………

25. What are the possible solutions to the challenges of strategy implementation at the Kenya Pipeline Company Limited?...