CHALLENGES OF STRATEGY IMPLEMENTATION AT CHEMELIL SUGAR COMPANY LTD

BY

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DECLARATION

I declare that this Research Project is my original work and has not been presented for any academic award in any university

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This Research paper has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

This research paper is dedicated to my beloved wife, Rose Anyango Apudo for her consistent encouragement and support and my sons Steve, Sam, Andy and Neville, and my daughter Ruby for identifying passionately with the process.

I additionally thank my mother Grace Oloo Kika, auntie Hellen Amollo and sisters Joyce Alando, Rosemary Odete and Hellen Oluoch for nurturing my early education.
ABSTRACT

The study focuses on the Challenges of strategy implementation in Chemelil Sugar Company limited. This was a case study approach and was effected through open ended questionnaires used for In-depth Individual Interviews designed to facilitate adequate collection of data pertaining to the study focus. The data was collected from representative members of the workforce at the executive and business unit levels. The data collected was subjected to Content analysis with the conceptual approach to capture the dominating themes, categories, collate and aid in thematic analysis. Whereas it was evident that strategies and corresponding activities for implementation are well documented at Chemelil sugar company, the state of implementation of the strategies are far off the intended targets and as such the management is not able to achieve on its mission. There exist challenges at the firm to strategy implementation the main ones being resource availability and mobilization, lack of relevant policies and procedures, poor communication channels, Human resource elements, leadership, unrealistic goal setting and political environment amongst others. The current state of strategy implementation is far from what was envisaged in the strategy formulation. This arises from failure to put into place measures that would ensure operationalization and institutionalization of the strategies. There are inherent challenges to strategy implementation at Chemelil sugar company which if not deliberately well managed may not allow even the best laid plans to see the light of day.
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CHAPTER ONE
INTRODUCTION

1.1 Background to the Study

Every organization whether global or multi-domestic, functionally, exist in the context of a complex environment. Over and above the environment internal to the firm, their exists the firm's immediate and remote external environments. The immediate external environment includes competitors, suppliers, increasingly scarce resources, government agencies, and customers whose preferences often shift inexplicably. The remote external environment comprises economic and social conditions, political priorities and technological developments, all of which must be anticipated, monitored, assessed and incorporated into the firm's decision making. (Pearce, Robinson and Mital, 2010). Environmental changes are more complex for some organizations than for others. Yet it is this environment that gives the organizations the means of survival; the opportunities and threats to the performance and survival of the firm both emanate from the environment. Managers must analyze their environments carefully in order to anticipate it and possibly influence the impact of the environmental changes.

According to Johnson, Scholes and Whittington (2008), to deliver their value propositions firms need to perfect the management processes to make them proactive and responsive to the dynamic nature of the environments. The most significant feature of improvement in management processes came with long range planning which has since evolved into strategic planning and implementation through strategic management. This management process entails environmental scanning (both internal and external) strategy formulation, strategy implementation, Evaluation and Control. This is the process of strategic management Wheelen and Hunger, (2008).The
realization on the complexities and dynamism of the environment has led the modern management to religiously embrace development of Strategic Plans. These are based on critical look at the internal capabilities of firms while taking cognizance of the environments to develop proactive and responsive approaches based on long term strategies

Whereas the strategy formulation in strategic planning is a common practice in Strategic management, it is far much easier embraced compared to strategy implementation. This is despite the fact that strategy implementation is the actualization of the whole process without which the objective would not be achieved. According to Pearce et al (2010), the reason some organizations fail and some succeed revolves around translating strategic thought into organizational action. Eppler, yang and Guohui (2008) observe that after a comprehensive strategy has been formulated significant difficulties usually arise during implementation process. Strategy implementation plays a vital role in the attainment of corporate performance and needs to be given as much emphasis as the other processes if not more.

1.1.1 Concept of Strategy Implementation

Wheelen et al (2008) have defined Strategy implementation as the sum total of activities and choices required for the execution of strategic plans. It is the process by which objectives, strategies, and policies are put into action through the development of programs, budgets, and procedures. Strategy implementation is therefore the transfer of a chosen strategy into organizational action so as to achieve strategic goals and objectives. In this phase of strategic management process, actions are taken to actualize approved plans. It begins with the long term plans which are then broken down to small workable annual or short term plans. According to
Pearce et al (2010) the reason that some organizations fail and some succeed involves translating strategic thought into organizational action. Strategy implementation therefore represents the active phase of the strategic management process.

According to Aosa,(1992), once strategies have been developed, they need to be implemented as they will be of no value unless they are effectively translated into action. Yet despite this widely accepted and recognized position on strategy implementation, it has been realized that it is often not achieved as easily as the other three concepts of Strategic Planning, Formulation, Evaluation and Control. This can be discerned from the high rate of failure by organizations to achieve their goals and objectives. Eppler et al (2008) observe that after a comprehensive strategy has been formulated, significant difficulties usually arise during the implementation process. Efforts must be made to have clear and consistent guidelines for action. Pearce et al (2010) emphasize that to succeed in the implantation process, one must identify short term objectives, initiate specific functional tactics, outsource non-essential functions, communicate policies that empower people in the organization and design effective rewards. Although the implementation is usually considered after strategy has been formulated the two should be considered as two sides of the same coin. Yabs (2007) observes that implementation challenges arise from both internal and external environments.

The strategies that an organization actually pursues are typically a mixture of the intended and the emergent strategies. Intended strategies are the product of formal strategic planning and decision making, but the strategy that is actually pursued for implementation is typically
emergent including bottom-up initiatives, rapid responses to an anticipated opportunities and threats and sheer chance

1.1.2 The Sugar Industry in Kenya

The development of the sugar industry in Kenya started with private investments at Miwani in 1922, followed by Ramisi Sugar Company in 1927. After independence, six additional companies were established namely: Muhoroni (1966), Chemelil (1968), Mumias (1973), Nzoia (1978), South Nyanza (1979), West Kenya (1981) and Soin (2006). The establishment of the parastatal was driven by a national desire to (i) accelerate social-economic development; (ii) address regional economic imbalances; (iii) increase Kenya citizen’s participation in the economy; (iv) promote indigenous entrepreneurship; and (v) promote foreign investments through joint ventures. This desire was expressed in the Sessional Paper No. 10 of 1965 on African Socialism and its Application to Planning in Kenya.

Despite these investments, self-sufficiency in sugar has remained elusive over the years as consumption continues to outstrip supply. Total Sugar production grew from 368,970 tonnes in 1981 to an all time high of 516,803 tonnes in 2004 before dropping of 475,670 tonnes in 2006. Domestic sugar consumption increased even faster, rising from 324,054 tonnes in 1981 to 718,396 tonnes in 2006. Consequently, Kenya has remained a net importer of sugar with imports rising from 4,000 tonnes in 1984 to an all time high of 249,336 tonnes in 2001 and 166,280 in 2006. The country on average imports 180,000 tonnes of sugar per annum to bridge the deficit between domestic production and consumption. There however exists potential for Kenya to become and retain self-sufficiency in sugar production and also produce surplus for export.
An estimated 6 million Kenyans derive their livelihood directly or indirectly from the sugar industry. The industry is rural based benefiting the rural poor and significantly contributing to the achievement of one of the millennium development goals on poverty reduction. The number of persons directly employed in the sugar factories has however been declining due to an emphasis on productivity and efficiency.

Recently the Regulator registered four new white sugar factories; Butali, Kibos Sugar & Allied Ltd, Keiyan and Trans Mara Sugar Companies with a combined potential capacity of 3,000 TCD. It is expected that two additional mills will be established in Kwale and Tana River Districts, along the coastal lowlands. In addition, there are four licensed and operational jaggery millers.

Domestic production of sugar saves the country in excess of US$ 250 million in foreign exchange annually. In the last five years, sugar contributed about 1.8% per annum to the National GDP, which in 2005 totaled Ksh. 25 billion.

Apart from the economic contribution of the sugar industry to the National Economy, there are many social benefits accruing to the communities in the sugar belt. The performance of the industry however continues to face several challenges which include; liberalization under the COMESA and WTO protocols, high costs of production, poor state of some factories, poor supply chain management, poor state of roads, inadequate research, development and extension services. Others are; insufficient funding, unharmonized industry regulatory framework, cheaper
import and punitive tax regime. These are challenges that need to be confronted first and foremost by sound management practices that embrace Strategic Management practices.

1.1.3 Overview of Chemelil Sugar Company

Established in 1965, Chemelil Sugar Company’s main business focus was production of mill white sugar as part of the national strategy of achieving self-sufficiency in food production as well as contributing to economic growth and development in western Kenya. Over the years, these key objectives continued to guide the Company’s corporate strategy until the 1980’s when the Government-initiated economic reforms in line with global trends of liberalization and free enterprise. At inception, the Company had a milling capacity of 85 Tonnes of Cane per Hour (TCH). With expansion in some areas of the milling plant the capacity rose to 135 TCH. Since posting its first profits in 1976, the Company’s performance has oscillated between profit and loss. Various factors account for the inconsistent performance including insufficient cane supply due to unfavourable weather conditions, the economic reforms of 1980s, policy framework as well as management related aspects.

As part of govern policy and in line with Management Best Practice, the company developed a strategic plan in 2006 for the period 2007/2008 to 2011/2012 with the mission “To produce and market quality sugar and co-products in the most efficient and competitive manner that exceeds the stakeholders expectations”. Amongst the key strategic objectives were to achieve an improved cane supply to the factory of 1.4 M tonnes per annum by 2011/2012, expand factory crushing capacity to 200 tonnes cane per hour (TCH), and improve Factory Time Efficiency from 85% to 92% All these parameters were indicators of a desired level of profitability and
healthy financial status by 2011/2012. In the last financial year 2009/2010 the Cane supply to the factory was 403,999 tonnes milled at 112 TCH thus recording low performance with a pre-tax loss of Kshs 595.5 million. This reduced the value of the company’s assets from Kshs 1.645 billion to 1.006 billion during the year.

To take the Company along a new strategic path, its objectives were re-stated to align it with vision 2030 Medium Term Plans in an effort to widen the revenue base, maximize returns and attract more value offers. The Company reviewed its strategic plan, which articulates its vision, mission and strategic objective for the period 2007/2008 TO 2011/2012, with a Company vision “To be the company of choice in the manufacture of sugar and related products in the region”. The company undertook to pursue a turnaround strategy 2009/2010-20102012 planning period. A new five year strategic plan for the period 2012/2013 to 2016/2017 is due for development.

1.2 Problem Statement

Excellently formulated strategies will fail if they are not properly implemented. Eppler, Yang and Guohui, (2008) observe that after a comprehensive strategy has been formulated, significant difficulties usually arise during the implementation process. Efforts must be made to have clear and consistent guidelines for action. According to Mintzberg and Quinn (1991,) 90% of well formulated strategies fail at the implementation stage. And even in the 10% that are implemented only 14% realize the desired objectives. Implementation challenges arise from both internal and external environments. Pearce et al (2010) emphasize that to succeed in the implantation process, one must identity short term objectives, initiate specific functional tactics, Outsource non-essential functions, and communicate policies that empower people in the
organization and design effective rewards. Any time a company moves to put new strategy
elements in place or improve its strategy execution capabilities, need arises to undertake a
careful review of existing policies and procedures, proactively revising or discarding those that
are out of sync. According to Wheelen et al (2008) poor planning has been blamed for Strategic
Plan failures. Given the critical role of Strategy Implementation in Strategic plans it is important
to bring out the Challenges that impede strategy implementation in order to assist firms attain
their goals and objectives.

With liberalization and increased competition posing immense challenges, erratic and
unfavorable sugar prices at the world market in the last two decades added to heightened need
for strategic changes in the policy arena itself in a fight for survival. Privatization, self-
sustenance and performance management constitute some of the key paradigm shifts required by
Government, the Company’s principal shareholder. Chemelil Sugar Company was amongst the
first 16 corporations piloted for Performance Contracting by the Kenya government in 2004.
Despite having gone through six years of Strategic planning process, the company is yet to
realize its goals and objectives as set out in its strategic plans of 2007/2008 to 2011/2012 and the
reviewed strategic plan of 2009/2010 to 2011/2012. The Strategic issues captured as cane supply
and availability, expansion and optimization of the milling plant, pursuit of new product lines,
factory modernization, cost reduction and diversification to enhance competitiveness have fallen
far below expectations both in terms of time and status. The company returned a pre-tax loss of
Kshs 595.5 million. This raises questions as to what the challenges to the implementation could
have been and how these can be avoided in future.
A number of researchers in the field of strategy implementation have come up with different combination of factors affecting the Strategy implementation process. Obara (2006) carried out a study on the challenges of strategy implementation at the Electoral Commission of Kenya (ECK). He found out that poor organization structure, leadership, culture and traditions and lack of effective systems and procedures were the major challenges at the institution. On the other hand a study by Musyoka (2001), on the challenges faced in strategy implementation at the Jomo Kenyatta Foundation, a government of Kenya publisher pointed at industry forces, poor policies and changes in the macro-environment as the major factors. Kimeli (2008) on the challenges of strategy implementation at the Kenya Revenue Authority (KRA), found out that an incompatible organization structure, poor communication, inconsistent policies, lack of employee involvement and lack of adequate resource base impeded strategy implementation at KRA. Aosa (1992) focused on strategy implementation on large manufacturing firms as one of the objectives while Machuki (2005) studied on challenges of strategy implementation at CMC motors. More recently Dorcas, (2010) focused on Challenges of strategy implementation at Kenya Tourist Board. While many studies have been undertaken on Challenges of strategy implementation none has focused on the context of the Parastatal sugar subsector and more specifically on Chemelil Sugar Company. Lutta, (2010) studied Challenges of strategy implementation at Mumias sugar company a privately owned institution. Awino, Z Wandera Imaita and K'Obonyo zeroed in on the aspect of Differentiation strategy at the Mumias sugar company. None of the studies has focused on Challenges of strategy implementation in the Public sector sugar companies. This study seeks to bridge the gap by focusing on the Challenges of strategy implementation in Chemelil sugar company (CSC) a parastatal mill.
The study will investigate the challenges of strategy implementation in the Chemelil sugar company, a sugar manufacturing firm in Muhoroni, District of Kisumu County. This problem statement leads to the following research question: what are the challenges of strategy implementation in Chemelil Sugar Company?

1.3 Objective of the Study

The objective of the study is to determine the challenges of strategy implementation at Chemelil Sugar Company.

1.4 Value of the Study

The outcome of the study will be beneficial to Chemelil Sugar Company in understanding the constraints that have been encountered by the company in the implementation of the Strategic plan for 2007/2008 to 2010/2012 and the reviewed strategic plan for 20090/2010 to 2011/2012. The study will also be invaluable to Chemelil Sugar Company as they embark on the formulation and subsequent implementation of the new strategic plan to be developed in line with the Vision 2030. The outcome will assist in development of appropriate strategies for execution devoid of previous pitfalls. It will also be valuable to the government agencies, investors interested in the Privatization of the parastatal sugar subsector and managements of other the sugar companies. The academic fraternity and researchers in this major economic sub sector will find new body of knowledge for possible application in their respective fields. Both the regulator, Kenya Sugar Board and the parent ministry stand to benefit from new body of knowledge, as they play their oversight roles.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter deals with some of the documented literature in the concepts, practices and issues observed by different authors in strategy implementations.

2.2 The Concept of Strategy

There are many and varied definitions of the term strategy. The term has its roots in the Greek language having come from the word “strategos” which means the art of an army general in deploying forces for battle. According to Yabs, (2008) Strategy as practiced by army generals entailed their plans and logistics of supplying men and ammunition to defeat an enemy. These methods had been used in warfare from as early as 500 B.C. and even had a significant role in the Second World War. He records that strategy was used by the allied forces of U.S.A and Great Britain during the Second World War. When the strategic methods and applications succeeded in the European war theatre, most of the strategic planning applications were borrowed into business lexicon and have since been used to refer to long term plans for businesses and enterprises. The concept of strategy has been borrowed from the military with the war tactics equated to competition in industry and in business organizations.

Ansoff (1990) sees strategy as basically a set of decision making rules for guidance of organizational behavior. He distinguishes four such rules as involving yardsticks for performance measurement, rules for developing the firm’s relationship with external environment, rules for
establishing the internal processes within the organization and the rules for conducting day to

day activities or simply put, policy. Pearce et al. support this view when they observe that

strategy is the management's plan for running the business and conducting operations; a large

scale future oriented plan for interacting with the environment to achieve company's objectives.

The plan does not precisely detail all future deployment of resources, but it does provide a frame

work for managerial decisions.

Thompson Jr, Strickland III and Gamble, (2007) considered a company's strategy as the

competitive moves and business approaches that managers employ to grow the business, attract

and please customers, compete successfully, conduct operations and achieve targeted levels of

organization performance. In this context, a company's strategy is all about "how" – how

management intends to grow the business, how it will build a loyal Clientele and outcompete

rivals, how each functional piece of the business will be operated, and how performance will be

boosted. They emphasize that a strategy stands a better chance to succeed when it is predicted

on actions, business approaches, and competitive moves aimed at appealing to customers in ways

that set a company apart from rivals and carving out its own market position. Simply copying

what successful companies in the industry are doing and trying to mimic their position rarely

works.

However Mintzberg (1985) advocated the idea that strategies are not always the outcome of

rational planning in that they can emerge from what an organization does without any formal

plans, hence the Deliberate and Emergent strategies. He defined strategy as a pattern in a stream

of decisions and actions. Chandler (1996) defined strategy as the basic long term goals and
objectives of an enterprise and the adoption of the courses of action and allocation of necessary resources for carrying out the goals.

According to Johnson, Scholes and Whittington (2008) strategy is the direction and scope of an organization over the long term, which achieve advantage in changing environment through its configuration of resources and competition with aim of fulfilling stakeholder expectation. From some of the definitions and the observations above, the common themes include environment, resources, culture and vision, customer and markets, competitors, growth, systems and structure. In Ohmae’s book “The mind of a strategist “ strategy is about trying to influence, where possible, the external environment in which the company operates, differentiating to add unique value to products and services and thoroughly understanding the market place, its segmentation and the customers (Capon, 2008)

The concept of strategy is important to the management of institutions as it allows an organization to make best use of its resources and opportunities in achieving its objectives. It provides a basis for focus at all levels of the organization and covers the range and depth of an organization’s activities involving: decisions about products and services, competition and markets, growth, and change in organizations. Emphasizing on the necessity for strategy Capon (2008), observes that strategy directs the evolving relationship between an organization and its environment and should enable the organization to find a strategic fit with its external environment. This means, that strategy is central to creation of competitive advantage, profitability and survival. Without a strategy, the organization is like a ship without a rudder.
2.3 The Strategic Management Process

The aim of strategic management is to assist an organization operate successfully. The concept of strategy is actualized through strategic management. This process helps in the matching of an organization's internal capabilities with the external possibility in a dynamic, competitive and complex environment. Just like strategy, strategic management has been defined differently by different authors and writers. Wheelen et al, (2008) define strategic management as the set of managerial decisions and actions that determine the long run performance of a corporation.

The management process includes environmental scanning (both external and internal) strategy formulation, strategy implementation, evaluation and control. The study of strategic management emphasizes the monitoring and evaluating of external opportunities and threats in light of a corporation's strengths and weaknesses. Originally referred to as Business policy it has now been enriched by the incorporation of such topics as Strategic planning, Environmental scanning and Industry analysis. It has been argued that perhaps the most significant improvement in management processes came when long range planning, Programming, budgets and business policy were blended with increased emphasis on environment forecasting and external considerations in formulating and implementing plans. All this encompassing approach is referred to as strategic management, Pearce et al,(2010). They see Strategic management the set of decisions and actions that result in the formulation and implantation of plans designed to achieve a company's objectives.

In his analysis of strategic management practices in Kenya, Yabs, (2007) refers to strategic management as the art of mobilizing resources and the science of formulating, implementing and evaluating decisions that enables an organization to realize its objectives. He recognizes strategic
management as a process that focuses on integrating management, marketing, finance and accounting, production and operations, research and development of a firm to achieve organizational success. This takes management beyond the realm of managing activities internal to the firm to proactively responding to the immediate and remote external environments comprised of economic and social conditions, political priorities and technological developments. Ansoff, et al (1990) says that strategic management is concerned with the broad, long term future of an organization and the way it will prepare for change to the extent that change is perceived as being a necessary prerequisite of future continued success. Strategic decisions and plans are thus subject to greater uncertainty than either administrative or operational decisions.

Most authors identify the process of strategic management as consisting of four stages; Environmental scanning, Strategy formulation, Strategy implementation and Evaluation and control. The major tasks can be crystallized as planning, directing, organizing and controlling of a company’s strategy related decisions and actions. It is recognized as a continuous process that covers a firm’s activities as long as it is existing and operational. According to Wheelen and Hunger (2008), research has revealed that organizations that engage in strategic management generally outperform those that do not. For instance strategies have been developed and used successfully by business corporations such as General Electric and the Boston Consulting group. According to Wheelen and Hunger (2008) studies of the impacts of deregulation on the US railroad and trucking industries found that companies that change their strategies and structures as their environment changes out performed companies that do not change. Amongst the highest rated benefits of strategic management have been identified as; Clarifies strategic vision for the
firm, Sharpens focus on what’s strategically important for a firm and improved understanding of the dimension of the environment

2.4 The Concept of Strategy Implementation

Wheelen and Hunger (2009) define Strategy Implementation as a process by which strategies and policies are put into action through the development of programmes, budgets and procedures. They emphasize that this process might involve changes within the overall culture, structure and management system of the entire organization.

According to Eppler et al Strategy implementation is a dynamic, iterative and complex process, which is comprised of a series of decisions and activities by managers and employers affected by a number of interrelated, internal and external factors to form strategic plans into reality in order to achieve strategic objectives According to Pearce et al (2010) the first step in the implementation of business strategy is to translate the strategy into action throughout the organization. He identified five key considerations in this which are, deriving short term objectives from the long term objectives; deriving functional tactics from business strategy; outsourcing selected functional activities; employee empowerment through policies, compensation rewards and lastly institutionalization of the strategy.

Unlike Formulation, Implementation of strategy is typically conducted by middle and lower-level managers, with review by top management. The top management are only required when drastic corporate wide changes are required. Most of the definitions stress the role of top management while others stress the external environment, without mentioning (non-managerial) employees and their crucial role in turning strategic plans into results. Thompson et al (2007)
have emphasized marshalling sufficient resources and people behind the drive for strategy execution and instituting policies and procedures. A good strategy execution requires a team effort. All managers have strategy executing responsibility in their areas of authority and all employees are participants in the strategy execution process.

According to Aosa, (1992) once strategies have been developed, they need to be implemented; they are of no value unless they are effectively translated into action. Strategy implementation entails the full range of activities and procedures associated with putting a chosen strategy into action. Thomson et al (2008) observes that excellent execution of an excellent strategy is the best test of managerial excellence and the most reliable recipe for turning companies into stand out performers.”

2.5 Factors Influencing Strategy Implementation

Most organizations face numerous challenges in their strategy implementation process. Normally, as pointed out by Yabs (2007), implementation challenges arise both from internal and external environments and adapting to these challenges depends on the type of organization, the strategy out that the challenge of successful strategy implementation is to create a series of tight fits between the chosen strategy and leadership, strategy and culture, strategy and reward system strategy and structure and strategy and resource allocation. Each implementation factor at any point in time should be aligned to the main strategic objectives or else successful implementation is jeopardized.
Decisions of implementation should be incorporated into the decisions concerning formulation since in practice strategy formulation and strategy implementation overlap (Okumus, 2003) and as noted by Allio (2005), good implementation naturally starts with good strategic input. It has been observed by different authors that there is no definitive recipe for successful strategy execution that cuts across all company situations and all types of strategies that works for all types of managers. The specific form the implementation takes must always be custom tailored to fit an individual company's own circumstances and represents the management's judgment about how best to proceed. For instance implementing a new strategy for a struggling company in midst of a financial crisis is a different job from that of improving strategy execution in a company where the execution is already proceeding well. According to Thompson et al (2008) the specific how of implementing and executing a strategy must always be custom tailored to fit an individual company's own circumstances and represents management's judgment about how best to proceed. According to Banat (2010) there are six principal management tasks that inform the manager's agenda for Strategy Implementation; building organizational capability in executing the strategy, establishing a strategy supporting budget, installing internal administrative support systems, devising reward and incentive systems that are linked to the objectives and strategy, aligning the corporate culture with the strategy and executing strategic leadership.

The role of management as a process in strategy implementation is emphasized by some authors. Thus, once the prerequisites are in place, the Chief Executive, supported by the Top Management Team is expected to lead the major initiatives for implementing the business strategies. The activities include instituting strategic controls to monitor and evaluate processes.
and achieve organizational goals and objectives. Implementation is actualized through three interrelated stages of identification of measurable, mutually determined short term objectives, development of specific functional strategies, development and communication of concise policies to guide the decisions. (Barnat, 2010). A well conceived strategy is one that takes into consideration the aspects of strategy implementation during the strategy formulation process. Formulation of specific objectives should take cognizance of the external and internal environment. According to Aosa, (1992), when congruence is achieved between several elements the strategy is likely to be more successful.

2.6 Challenges of Strategy Implementation

Without resources the implementation of strategy is almost impossible. Yabs (2010) refers to resources as all those inputs that will enable a company to discharge its mandate or duty in producing a good or render a service. This can include among other things, raw materials, human capital, power and energy and the availability of facilities in the factory buildings. The resources in a company can be divided into external inputs and internal inputs. External inputs emanate from the environment of the firm. These include raw materials, power and energy, manpower and small accessories. Internal inputs include internal installed capacity, structures, facilities, infrastructure, capability of employees, industrial relations and corporate culture. Thompson et al (2007) have emphasized marshalling sufficient resources and people behind the drive for strategy execution. All managers have strategy executing responsibility in their areas of authority and all employees are participants in the strategy execution process. Early in the process of implementing and executing a new or different strategy, managers need to determine what
resources will be needed and then consider whether the current budgets of organizational units are suitable.

A company’s ability to marshal the resources needed to support new strategic initiatives and steer them to appropriate organizational units has a major impact on the strategy implementation process. Too little funding (stemming either from constrained financial resources or from sluggish management action to adequately increase the budget of the strategy critical organizational units) slows progress and impedes the efforts of the organizational units to execute their pieces of the strategic plan proficiently. Too much funding wastes organization resources and reduces financial performance.

Institutional policies and procedures that facilitate good strategy execution. A company’s policies and procedures can either assist the cause of good strategy execution or be a barrier. According to Thompson et al, any time a company moves to put new strategy elements in place or improve its strategy execution capabilities, managers are well advised to undertake a careful review of existing policies and procedures. After the program, divisional and corporate budgets have been approved procedures must be developed that detail the various activities that must be carried out to complete an institutions programs. Also known as organizational routines, procedures are the primary means by which organizations accomplish much of what they do. Once in place, the procedures must be updated to reflect any changes in technology or strategy Wheelen et al, (2008)
According to Wheelen et al (2008), before plans can lead to actual performance, a corporation should be appropriately organized; programs should be adequately staffed. Strategy leads to changes in organizational structure. He also concluded that organizations follow a pattern of development from one kind of structure/arrangement to another as they expand. According to Chandler, these structural changes occur because the old structures having been pushed too far, cause inefficiencies that become obviously detrimental to bear.

Research generally supports Chandler’s proposition that structures follow strategy or structure influences strategy. Changes in the environment tend to be reflected in changes in the corporation’s strategy, thus leading to changes in a corporation’s structure. Strategy, structures and the environment need to be closely aligned; otherwise organizational performance will likely suffer. For example a business unit following a differentiation strategy needs more freedom from Headquarters to be successful than does another unit following a low cost strategy. It is however agreed that there’s no optimal structure. The alignment of organizational structure to strategy affects the shape, division of labour, job duties and responsibilities, the distribution of power and decision-making procedures within the company (Okumus 2003). Organization structure groups similar tasks and activities and delineates roles and responsibilities. A good structure improves the efficiency of operations and balances the need for specialization with the need for integration. Poor organization structure poses a serious challenge in separation of duties and may result in overlapping roles and conflict to interest (Obara, 2006). A successful organization structure must not only take into account the vertical hierarchy but also the horizontal networks since without horizontal integration, knowledge sharing will be difficult.
According to Hrebiniak (2006), the real challenge of strategy implementation lies in the formulation and effective communication of vision, mission and values; commitment to projects and business results that will fulfill on the mission and the design of organizational architect that allows for empowerment and communication. The strategy literature identifies formulation as the ends (objectives and goals) and implementation as the means (action plans and allocation of resources) of the strategy Snow and Hambrick, (1980). Managers formulate specific strategies with expectations about how the strategy will transform into organizational objectives. They translate these strategies or action plans into internal processes that will implement the formulated strategy (Campbell et al, 2006). The quality of strategy formulation therefore has an effect on the quality of strategy implementation and poor strategy formulation may pose a challenge to strategy implementation.

One important area where challenges are likely to be experienced is leadership. Pfeffer and Sutton (1999) have given the view that what leaders do, that is, how they spend their time and how they allocate resources, matters a great deal in strategy implementation. Strategy implementation is about converting knowledge into action. Leaders of successful organizations understand that their most important task is not necessarily to make strategic decisions but to help build systems that facilitate the transformation of knowledge into action in a smooth and reliable way. Hrebiniak and Joyce (1984) argue that the process of interaction and participation among the top management team typically leads to greater commitment to the firm’s goals and strategies. This, in turn, serves to ensure the successful implementation of the firm’s chosen strategy. Thus top managers play a critical role not just in strategy formulation but in
implementation as well and where commitment and consensus is lacking from the top management strategy implementation can be a serious challenge.

Dobni (2003) describes culture as one of six C’s (culture, co-alignment, core competencies, connection, customer value and communication) in creating a strategy implementation environment. She views culture as a major driver of strategy implementation. Implementation of a new strategy starts with an understanding of organizational culture and ends with a change in this culture to facilitate and embrace the strategy. Culture can be a real challenge to strategy implementation because it is close to change and often works as a major inhibitor of change. Thus a strategy cannot be successfully implemented without understanding the culture of the organization. Culture allows the adaptive behaviour by the organization necessary for strategy implementation and as Obara (2006) pointed out, resistance to change; civil servant mentality and lack of skills to handle modern work challenges are major cultural challenges in strategy implementation. Culture must therefore be aligned with the new perceived realities and it begins with an understanding of the dynamics of the present culture and the assumptions that are held by the members of the organization.

Research has shown that people or the human resource can both intentionally and unintentionally influence strategy implementation success (Hamann, 2006). Since strategy implementation takes place over time and involves large parts of the organization, people stand at the centre of this process. Challenges in human resource may arise where management puts emphasis on controlling employees other than empowering them for the mission of the organization. The findings of Chimhanzi and Morgan (2005) indicate that firms devoting attention to the alignment
of marketing and human resources are able to realize significantly greater success in their strategy implementation. Strategy execution is the result of conscious attention, combining both leadership and management processes to describe and measure the strategy, to align it with internal and external organizational units and also align it with employees through motivation and targeted competency development programs. Human capital alignment is achieved when employees’ goals, training and incentives become aligned with business strategy, Kaplan and Norton, (2008).

According to Alexander (1985), inadequate planning and communication are two major obstacles to successful implementation of strategies. Proper strategy execution requires a communication plan that recognizes that organizations are made up of social, communicative human beings. Communications ensures consistent delivery of information, enhances relationships with stakeholders, creates a feeling or ownership as employees and other stakeholders become more involved and informed, helps reduce conflict, ensures efficient use of resources and creates a more unified approach to strategy implementation. The findings of Schaap (2006) indicate that most of the senior-level leaders do not communicate the company’s direction and business strategy to all of their subordinates and this may pose a challenge. This study also reinforces the findings that frequent communication up and down in an organization enhances strategic consensus through the fostering of shares attitudes and values. Strategies have to be demonstrated to the people through regular and effective communication channels. If a person does not understand what has to be done, then one cannot own the process and will thus not be able to deliver (Sterling, 2003).
According to Obara (2006), policies and rules are a challenge to strategy implementation. He argues that an organization without clear policies and rules governing management plans brings about conflict in roles and can hinder implementation of decisions resulting in non achievement of desired results. A properly instituted code of conduct that includes organizational policies and rules with specific guidelines on implementation is essential for strategy implementation. The context in which the policy operates is important. Formulating a policy requires a good understanding of local needs, opportunities and constraints, taking all stakeholders into account. There should be convincing attitude from the government with specific measures to empower the society and complementary measures from within the organization to foster quality and accountability, regulation, incentives and norms, Kumotia, (2010)
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

A research design is the strategy for study and the plan by which the strategy is to be carried out. It specifies the methods and procedures for the collection, measurement and analysis of data (Cooper and Schindler 2006). According to Kothari, (2004) a Research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.

The study employed was a Case study approach. This is a powerful research methodology that combines Individual interviews with record analysis and observation. The case study approach allowed for emphasis on understanding the context of the subject and facilitated in-depth understanding of the subject of study. Case study can be used to answer the “how and why” and also not require control over the events. Kothari, (2004) wrote that case study is a powerful tool for intensive investigation of a particular unit or situation under study.

A sample of 17 employees at Top managerial level was picked for the case study.

3.2 Data Collection Method

The study captured primary data through individual In-depth interviews (IDI). The interviews were carried out using a structured interview (questionnaire) to guide the question order and the specific way the questions were to be asked. The questions however remained open ended. The respondents of the study were managers from different levels in the Chemelil Sugar Company.
Organo structure, to permit in-depth perspective. This included Head of departments (Factory, Agriculture, Marketing, Human Resource, and Finance).

Head of sections (Engineering Manager, Outgrowers manager, Management Accountant, Nucleus Estate manager, Procurement Manager, Agronomist, information and Process manager, Public Relations Manager).

3.3 Data Analysis

Data collected from the interviews was analyzed through content analysis. Content analysis has been described as a research technique for the objective, systematic and quantitative description of the manifest content of a communication (Cooper and Schindler, 2006). The method allowed objective, systematic and qualitative description of manifest content of communication. The results from the correspondents were analyzed in terms of similarities and differences and then summarized in different thematic areas and compared with theory as captured in the literature review.

The analysis captured different categories of data as Departments, Sections and Administrative levels. This was used to determine concepts and themes within the texts derived from the responses to the questionnaires. The text was broken down into manageable categories and thematic analysis carried out with the focus on terms within the correspondent texts pertaining to strategy implementation. The themes that emerged were broken down into manageable categories whereupon Key themes and sub themes emerged. This allowed investigations into whether the strategy implementation process impacted differently in the various levels and whether some themes received greater emphasis relative to the others. The concepts that emerged
were used to make inferences about the views expressed in the questionnaires. This allowed pertinent features of the actual contents as given by the respondents to be captured. It focused on the actual contents and internal features of the organization. The themes were collated and the trend that emerged was used to make inferences about the facts as expressed in the questionnaires.
CHAPTER FOUR
DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

The study focused on the challenges experienced in the process of implementing strategy in Chemelil Sugar Company Ltd. This Chapter presents the findings and discussions of the study. The study was executed through personal administration of the questionnaire by the researcher to 14 interviewees. The interviewees comprised of Top Management Team members referred to as Heads of department and the second tier of Management Team referred to as Heads of Section.

This Chapter presents content analysis extracts as derived from factual statements of the respondents as captured during the interviews. This was captured horizontally across the structure hence covering all the core functions of the organization. It captures the themes that run into the process of strategy implementation, the focus of strategy implementation and the challenges of strategy implementation in the company as viewed by respondents during live interviews. The chapter also presents discussions of the facts as presented and in line with existing literature on strategy implementation.

4.2 Strategy Implementation at Chemelil Sugar Company

The focus of the strategy has been growth that encompasses sufficient raw material supply, modernization, expansion of the production capacity of the factory and diversification targeting co-generation of electricity and other product lines, cost reduction, strengthening the marketing function and competency and skills development.
It is evident from all the respondents that strategic plan and hence strategies exist in the company. These are well documented and displayed strategically within the departments. Additionally annual plans for implementation and to some extent departmental activities are well documented. Monitoring performance is only carried out formally in the financials for monthly quarterly and annual variances by the Management Accountant. Although Performance Contracting is embraced in principle, in practice it is not integrated into the strategy implementation process, effectively. The Strategy implementation concept and process is a Top management idea not internalized by the third to sixth tiers who form the bulk of the workforce.

Despite the strategic posture as articulated above, it was clearly evident that the strategic plan as envisaged is far from implemented. Whereas the factory was supposed to be crushing 1.4 million tonnes of cane per annum by 2011/2012 the factory is yet to achieve the 600,000 tonnes mark both in terms of capacity and raw material availability; instead of the high volumes of raw material envisaged it is in short supply. The factory throughput is at its lowest ever at less than 1000 TCD against a target of 3500 TCD. The diversification strategies intended have not been initiated seven years into the strategic plans. There is incongruence in the coordination and monitoring and lack of clear definition of roles and responsibilities.

4.3 Challenges of Strategy implementation at Chemelil Sugar Company Ltd

The recurrent themes on challenges of strategy implementation at Chemelil Sugar Company include inadequate resource planning and availability, unrealistic goals, human resource capacity and practices, leadership, communication, policies and procedures and political environment. Amongst these, the main themes come out resource availability, unrealistic objectives, human
resource capacity, policy and procedures. These were captured across functional areas. Other sub-items captured include political environment, operating environment, competitor analysis, attitude and culture.

It came out from the interviews that within these two top tiers of the organo structure of the company, respondents recognized the existence of a formal strategic plan document for the company. Additionally, the respondents recognized the need for implanting the strategy as a means to achieving set objectives and goals and hence sustainability of the organization and achievement of the organizational mission.

However, it was also evident that below the first management tier (executive) not much was known about the strategic plan implementation process. Thus formal strategy implementation as a process was live to a mere 10% of the organization work force. From the respondents it came out that while the process of strategy formulation was formal with most of the ingredients of the process embraced, strategy implementation process was haphazard, lacked formality and most of the targets remain "dreams" in the words of the respondents. There was very strong evidence of the apparent view that the goals and objectives were unrealistic in terms of targets, timelines, and financial resources. Additionally, considering the ever changing business environment, threat of competitors was not taken care of as well as the strategic risks to achievement of objectives during strategy formulation.

Communication appeared to be an impediment to implementation as it was evident from the respondents that the staff's were not taken through the emerging issues resulting in lack of
ownership and responsibility in implementing set objectives. This left the role of implementation to top management solely. This was made worse arising from the fact that senior management did not meet regularly with the other teams to review the strategic plan and provide leadership to support strategy implementation. This points out to lack of evaluation implementation, monitoring and procedures. The view of the respondents below the Heads of department was that the overall implementation process of the strategies and achievement was uncoordinated, poor and hence untenable. Lack of participation by key stakeholders especially the 3rd, 4th and lower tiers of the organo structure who form the bulk of workforce, made the implementation a lofty affair left to the top management.

There is lack of policy and procedures on cascading the strategy and existence of an incongruent structure that does not support strategy implementation. This is despite a recent Job Evaluation carried out after the strategic plan had been formulated. The organostructure does not come out as supportive in coordination monitoring, and evaluation with clear definition of roles and responsibilities. This leads to lack of accountability for performance. There is need to integrate a performance based management system to augment the strategy.

It was observed that arbitrary changes in human resource led to lack of continuity in the programmes as this was common even at the Chief Executive Level and champions of strategy implementation courtesy of unplanned and unexpected exits. The champions of strategy arose not out of design but accidentally. Additionally the strategy implementation policies and procedures are not documented and remain a reserve of ad hoc committees that do not see the light of day due to the arbitrary exits. Whereas the Human Resource policy practice is explicit on
punishment for those who operate outside the norm or procedures, it is stone silent on Reward policy. The Human resource policy lacked in motivation.

The government policies, procedures, declarations and bureaucracy have a strong influence on the day to day implementation of activities in the company with the attendant red tape. These include the appointment of key members of the strategy implementation structure who include the Chief Executive and Board of directors. Some of the appointments are without strict adherence to corporate governance procedures e.g. balance of skills, competences and stakeholder representation. Disruption of programmes and lack of continuity after change of top management have heavily impacted on strategy implementation. Some policies and practices e.g. the Procurement act impede on strategy implementation in regard to competition with non parastatal organizations or competitors who are not bound by these rules/processes. This results to bureaucracy in decision making, political patronage and even extending to the purely technical process like price setting for key factors like raw materials and final products to the detriment of profitability of the organization.. A case in point was adduced where a co-generation project which was nearing implementation was shelved. Political factors:- The introduction of price controls by parliament is likely to affect the profitability of the company hence hinder our strategy implementation.

Resource availability sticks out as a sore thumb as an impediment in executing strategy in Chemelil sugar company. This arises out of lack of deliberate plans to source for finances for capital projects and budgetary provisions and reliance on highly unreliable internally generated funds which have not been forthcoming due to underperformance. Resource mobilization was
found to be significantly inadequate and a common theme amongst all the respondents. The project is resource starved, underfunded, making resource mobilization a major impediment to the achievement of the organization’s mission. The scarcity leads to stiff competition of capital resources with some objectives suffering irreparably. Given the interdependence of most of the programmes, this compromises the overall implementation of strategy in Chemelil Sugar Company. With poor cash flows, the capacity to borrow large sums of money to finance projects is a challenge due to inability to repay and inadequate collateral to secure the loans.

Nearly all the respondents captured the fact that the objectives were unrealistic in terms of targets, timeliness, financial resources and the ever changing environment such as entry of competitors. A case in point is where after the collapse of one miller competitor the management assumed the vacuum will remain, only for a ferocious competitor to fill up the vacuum leading to an acute shortage of raw material.

4.4 Discussion of Findings

The findings on key challenges to strategy implementation at Chemelil Sugar Company largely concur with what is found in literature and other works done by researchers in this field. The dominating themes mirror what have been established to impede strategy implementation or execution in other organizations. The findings also confirm what other authors have observed that there is no definitive recipe for successful implementation that cuts across all company situations and types of strategies that works for all types of managers. For instance implementing a new strategy for accompany which is struggling in the midst of a financial crisis is different job
that of improving strategy execution in a company where the execution is already proceeding well.

For instance Thomson et al (2007) have emphasized marshalling of sufficient resources and people behind the drive for strategy execution. A company’s ability to marshal resources needed to support new strategic initiatives and steer them to appropriate organizational units has a major impact on the strategy implementation process. This study heavily concurs with these findings in the case of Chemelil Sugar Company

Human resource capacity, form and practice appeared to have numerous challenges to strategy implementation in Chemelil Sugar Company. This varied from skills and competence to lack of relevant policies and structures that support implementation e.g. rewards policy and training and development. This challenge has been identified in literature According to Kaplan and Norton (2008) Human capital alignment is achieved when employees’ goals, training and incentives become aligned with business strategy .Research has shown that people or human resource can both intentionally and unintentionally influence strategy implementation success, Hamman,(2006). Additionally the research has supported chandler (1966) that structure follows strategy. This observation is indeed an indictment on the Chemelil management for not having focused on strategy implementation even as they undertook Job Evaluation while the strategy was already in place. According to Chandler, the structural changes are inevitable because the old structures having been pushed too far, cause inefficiencies that become obviously detrimental to bear. Challenges in Human Resource may arise where management puts emphasis on controlling employees other than empowering them for the mission of the organization. This factor is brought into the fore by the respondents
Lack of policies and procedures coupled with poor communication in the organization derailed the implementation process right from the beginning. This confirms the study by Obara, (2006). Obara observes that policies and rules are a challenge to strategy implementation. He argues that an organization without clear policies and rules governing management plans bring about conflict in roles and can hinder implementation of decisions resulting in non achievement of desired results. A properly instituted code of conduct that includes organizational policies and rules with specific guidelines on implementation is essential for strategy implementation.

Communication on the issue of strategy right from formulation to implementation is lacking leading to unrealistic goals and non participation in implementation. According to Alexander (1985), inadequate planning and communication are two major obstacles to successful implementation of strategies. Proper strategy execution requires a communication plan that recognizes that organizations are made up of social, communicative human beings. Communications ensures consistent delivery of information, enhances relationships with stakeholders, creates a feeling or ownership as employees and other stakeholders become more involved and informed, helps reduce conflict, ensures efficient use of resources and creates a more unified approach to strategy implementation. The role of communication as captured is further confirmed by Schaap (2006) who indicates that most of the senior-level leaders do not communicate the company’s direction and business strategy to all of their subordinates and this may pose a challenge. This study also reinforces the findings that frequent communication up and down in an organization enhances strategic consensus through the fostering of sharing attitudes and values. Strategies have to be demonstrated to the people through regular and effective communication channels. If a person does not understand what has to be done, then
one cannot own the process and will thus not be able to deliver (Sterling, 2003). Suffice here to say that other sub themes like culture, attitude and government interference have not been missed out in the challenges that compromise strategy implantation in Chemelil Sugar Company.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The study's findings have been presented as discussed in chapter four. Consequently, this chapter presents a summary of the key findings based on the objective of the study and draws conclusions thereof. It also covers recommendations for policy and practice, the limitations of the study as well as the suggestions for further study.

5.2 Summary

The company has well laid out strategies derived from an existing strategic plan with activities drawn at departmental level. The budgetary requirements have been documented appropriately, however very little has been achieved towards actualizing the plans. Most of the goals and objectives envisaged remain but dreams. The study revealed the existence of serious challenges to strategy implementation key of which are lack of planning for and mobilization of resources which are critical for strategy implementation. The study also revealed lack of policies and procedures in addition to key human resource elements. Communication on pertinent programmes including setting goals and objectives, monitoring, evaluation and control have not been embraced. Government policies and the attendant bureaucratic procedures as well as political environment impacted negatively on strategy implementation.

Lack of skills and lack of continuity of programs after change of top management have compromised strategy implementation and ownership of the strategic plan by all the stakeholders. Chemelil Sugar Company does not have a documented Reward Policy – on the
contrary, the Human Resource Manual is very explicit on punishment for operating outside the procedure. Traditional functional mindsets of senior executives and lack of cross-functional expertise impede on execution.

There is lack of systems thinking and action where the “wholesomeness of business” is not shared commonly. The company’s response to rapidly changing environment is poor leading to loss of comparative and competitive advantage envisaged at the strategy formulation stage.

5.3 Conclusion

The current state of strategy implementation is far from what was envisaged in the strategy formulation. This arises from failure to put into place measures that would ensure operationalization and institutionalization of the strategies. There are inherent challenges to strategy implementation at Chemelil sugar company which if not deliberately well managed may not allow even the best laid plans to see the light of day. A significant number of these impediments noted agree with those that have been observed both in literature and empirical studies. These include Lack of resources, lack of policies and procedures for operationalizing strategies, poor communication channels, incongruent human resource structure and policy, Inadequate leadership impacting at both Board, executive and business unit levels that fails to inspire actualization of laid down programmes. According to Aosa, (1992) once strategies have been developed, they need to be implemented; they are of no value unless they are effectively translated into action. Strategy implementation entails the full range of activities and procedures associated with putting a chosen strategy into action. Eppler et al,(2008) have observed that strategy implementation is a dynamic, iterative and complex process, which is comprised of a series of decisions and activities by managers and employers affected by a number of
interrelated, internal and external factors to form strategic plans into reality in order to achieve strategic objectives. According to Pearce et al (2010) the first step in the implementation of business strategy is to translate the strategy into action throughout the organization. He identified five key considerations in this which are, deriving short term objectives from the long term objectives; deriving functional tactics from business strategy; outsourcing selected functional activities; employee empowerment through policies, compensation rewards and lastly institutionalization of the strategy. From my studies I concur.

5.4 Recommendations

The strategy formulation should involve as many stakeholders as possible to ensure that objectives and goals are realistic and smart. They should incorporate clear action plans with clear time-lines, resource base and responsibility for execution. This should be supported by well developed mechanisms and procedures for monitoring and evaluating efficiency and effectiveness with which the strategies are implemented.

Policies whether commercial, political, or sociological should be developed or amended in line with the goals of an organization in order to support strategy implementation. The human resource is the nerve centre for any strategy implementation and any time new strategies come in place there should be a review on the resource to ensure alignment to the strategies.

Change management processes should be embraced to manage change over from old to new systems so as to avoid resistance. Government has no business doing business where others can do better as it impedes execution in some areas exposing the organization to unfair competition.

Company should realistically look at their environments before setting goals.
5.5 Limitations of the Study

This was a case study with a focus on the concept of strategy implementation but there are other many relevant concepts that are likely to have an impact on performance for example strategic control, cooperate governance, Human resource empowerment and many others that this study didn’t give due attention whose impact should not be ignored. This was carried out in the context of the circumstances that existed in Chemelil Sugar Company and cannot be said to apply across the board on all other similar or dissimilar organizations.

5.6 Suggestions for further study

Similar studies should be carried out in other sugar company institutions, manufacturing firms or parastatal commercial outfits in different circumstances to contribute to the body of knowledge in the area of strategy implementation for comparison, concurrence or otherwise. Equally important is the need for studies in other concepts other than strategy execution that may or may not impact on successful attainment of institutional mission.
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Appendix I: Interview guide

A. Chief Executive Officer

1. What are the broad objectives of the strategic plan (2009-2013) what role do you play in attaining these objectives?

2. In an effort to implement them, what action plans are in place?

3. What are the strategy implementation practices employed by CSC?

4. Which decision making style in most preferred and used in this CSC?

5. State the role of communication in the process of strategy implementation in the CSC?

6. What challenges do you face in terms of employee morale, behavior, and general approach to work during the implementation? How did you go about them?

7. Is the time frame provided for in the strategic plan for the implementation phase adequate?

8. When recruiting new employees, how does the human resource team assess their competency so that they are compatible with the new strategy?

9. Comment on how CSC has undertaken each of the following tasks to build a spirit of high performance into the organization culture towards supporting strategy implementation:
   a. Training each employee thoroughly
   b. Encouraging employees to use own initiative and creativity
   c. Setting reasonable performance targets
   d. Granting employees autonomy to stand out and excel.
10. What challenges do you normally face?

11. What suggestion(s) would you give that will help other Sugar companies avoid or minimize strategy implementation challenges?

12. Please give any other comment you may have regarding the subject of this research.

B. Head of Finance, Head of Factory, Head of Agriculture, Head of Human Resource

1. What role do you play in CSC strategic planning?

2. Do you have documented departmental strategies?

3. Does the company maintain financial management systems to ensure proper utilization of funds, accountability monitoring, and efficient reporting, all geared towards strategy implementation? Comment briefly on how each of these aspects is ensured.

4. In order to achieve the strategies mentioned/documented, what are the action plans that are to be executed?

5. What is your general comment on overall resource mobilization in terms of access to and utilization of the resources to enhance mobilization in terms of access to and utilization of the resources to enhance implementation of strategies?

6. What challenges do you encounter in the process of implementing them?

7. What suggestion(s) would you give that will help Sugar companies avoid or minimize strategy implementation challenges?

8. Please give any other comment you may have regarding the subject of this research.
C. Engineering Manager, Outgrowers Manager, Harvesting and Transport Manager

1. Does the CSC have documented operational strategies?

2. In an effort to implement them, what action plans are put in place to ensure effective running of the Sacco operations?

3. Is the senior management team of the company in the forefront in providing leadership to enable strategy implementation?

4. What challenges do you meet during execution?

5. What suggestion(s) would you give that will help other Sugar companies avoid or minimize strategy implementation challenges?

6. Please give any other comment you may have regarding the subject of this research.

D. Informational Technology Manager

1. Does the CSC have strategies on how to manage its technology?

2. What specific action plans that the company comes up with to ensure successful implementation of its technological strategies?

3. What process(es) do you adopt in executing these action plans?

4. What challenges do you meet during executing?

5. What suggestion(s) would you give that will help other CSC avoid or minimize strategy implementation challenges?

6. Please give any other comment you may have regarding the subject of this research
E. Marketing Manager

1. Do you have marketing strategies that would enable CSC achieve its goals and objectives?

2. Are the strategies (if any) spelt out in action plans?

3. What challenges do you face in implementing them?

4. What do you comment on how you find each of the following factors acting as a source of strategy implementation challenges?
   a. Economic factors
   b. Socio-cultural factors
   c. Political factors
   d. Creditors
   e. Suppliers (for other goods and services)

5. What suggestion(s) would you give that will help other Sugar companies avoid or minimize strategy implementation challenges?

6. Please give any other comment you may have regarding the subject of this research.
F. Process Manager, Nucleus Estate Manager, Training and Development Manager

1. Does your branch have an annual work plan/strategic plan that it always refers to when planning to execute its activities?

2. Is the senior management team of the company in the forefront in providing leadership to enable strategy implementation?

3. How would you describe the support of the management staff in terms of their skills in enabling successful strategy implementation?

4. What will you comment on the current company structure in terms of its support for strategy implementation process?

5. What will you comment on the overall company culture in terms of its support for strategy implementation?

6. Do you find the resources allocated to your branch adequate for successful implantation of the strategies?

7. As a branch, what specific action plans do you put in place so as to implement the overall company strategy?

8. As a branch, what challenges do you face in implementing both the branch and overall company strategy?

9. What suggestion(s) would you give that will help other Sugar companies avoid or minimize strategy implementation challenges?

10. Please give any other comment you may have regarding the subject of this research.
G. Public Relations Manager, Human Resource Administrative Manager,
Management Accountant, Internal Audit Manager

1. What would you comment regarding the time that the implementation of strategies is allocated?

2. Is there inadequate communication of the strategy to the staffs? Why the inadequacy (if any)?

3. Does the organization have a documented reward policy? How does the policy (if any) support the implementation of strategy?

4. Is there slow acceptability of the strategy by CSC stakeholders? Why such (if any)?

5. Are monitoring, planning, coordination, and sharing of responsibilities not well defined? Why?

6. Is there lack of focus and ability on the new strategy? Why?

7. What would you consider as being the main challenges both from internal and external sources during the process?

8. In which areas do you need training to improve your productivity?

9. Indicate any other factors that make it difficult for you to meet you performance?

10. What suggestion(s) would you give that will help other Sacco’s avoid or minimize strategy implementation challenges?

11. Please give any other comment you may have regarding the subject of this research.

Thank you very much for your time.
Appendix II: Letter of Introduction
Date: 15 August 2011

TO WHOM IT MAY CONCERN

The bearer of this letter Charles Apudo Owelle

REGISTRATION NO: D61/71504/2009

The above named student is in the Master of Business Administration degree program. As part of requirements for the course, He is expected to carry out a study on **Strategy Implementation at Chemelil Sugar Company**

He has identified your organization for that purpose. This is to kindly request your assistance to enable him complete the study.

The exercise is strictly for academic purposes and a copy of the final paper will be availed to your organization on request.

Your assistance will be greatly appreciated.

Thanking you in advance.

Sincerely,

MR. ALEX JALEHA
COORDINATOR, SOB, KISUMU CAMPUS

Cc File Copy