CRITICAL FACTORS IN STRATEGY IMPLEMENTATION OF THE ECONOMIC PILLAR OF KENYA VISION 2030

By

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A Research Project Submitted to The School of Business in Partial Fulfillment of the Requirements for the Award of a Degree of Master of Business Administration of the University of Nairobi.

NOVEMBER

2011

DECLARATION

This research project is my original work and has not been presented in any other university.

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Signature Date

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This research project has been submitted for Examination with my approval as the university supervisor.

.... 12/11/2011

Signature Date

Mr. Jeremiah Kagwe

DEDICATIONS

I dedicate this research Project to all my family members. Special dedications go to my daughter Jeniffer, my husband Moses and my parents Mr. and Mrs. Mwangoe.

ACKNOWLEDGEMENT

I acknowledge the assistance of my supervisor Mr. Jeremiah Kagwe without whom this project would not be successful. God bless him.

ABBREVIATIONS

GDP	Gross Domestic Product
GO	Government of Kenya
H.E	His Excellency
WWW	World Wide Web
KE	Kenya
NESC	National Economic and Social Council

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ABSTRACT

This study seeks to identify the Critical factors affecting the successful implementation of the Economic Pillar of the Kenya Vision 2030 strategy. The study sought to complement existing literature on the factors that affect strategy implementation. Existing literature says that the factors that affect strategy implementation include top management commitment, involvement of employees in strategy formulation and employees motivation.

Based on data collected from two managers of the Economic Pillar of Kenya Vision 2030, the study identified 35 factors that influence the implementation process of the strategy. Some of the factors are strategy formulation process, effective leadership and rewards and incentives to staffs that are responsible for strategy implementation. It is concluded that failures of strategy implementation are inevitable when organizations fail to accord due importance to these factors during the process of the implementation of their strategies.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategy implementation is a vital component of strategic management process. Implementation is the process by which people use various resources to accomplish the objectives of the strategy (Higgins and Julian, 1986). According to Steiner et al (1989) implementation of policies and strategies is concerned with the design and management of systems so as to achieve the best integration of people, structures, processes and resources in reaching specific objectives. William (1991) describes implementation as the execution of tactics both internally and externally so that the organization moves in the desired strategic direction.In strategic management process, after formulating, implementing is the most important stage. Implementing strategy is the connecting loop between formulating and control. In fact what integrates strategies is successful implementation. An effective implemention model should answer these two basic questions: Which decisions and activities can be accomplished by managers for implementing? And Who can organize decisions for parallel logic, activities, and defined contingencies?(Jauch and Glueck, 1988).

Kenya Vision 2030 is the country's strategic development blue print covering the period 2008 to 2030. It aims at making Kenya a newly industrializing, "middle income country providing high quality life for all its citizens by the year 2030". The vision has been developed through an all-inclusive stakeholder's consultative process involving Kenyans from all parts of the country. It is based on three ''pillars'' namely; the Economic Pillar, Social Pillar and the Political Pillar. To successfully implement the Economic Pillar of the Vision 2030, it is important to take into consideration factors that affect strategy implementation (www.nesc.go.ke).

1.1.1 Strategy Implementation

According to Waterman et al (1988), implementation of strategies plays a vital role in the attainment of planned objectives. The most elegantly conceived, most precisely articulated strategy is virtually worthless unless it is implemented successfully. Despite the fact that strategy formulators understand the significance of strategy implementation, it has been observed that in most cases it often falls far short of the goals that have been set for. This is because strategy formulators forget this vital component of the strategic management process. They are not paying as much attention to planning the implementation of their strategies as they give to formulating them. Jauch and Glueck (1988) report that executive investment in implementation has been insufficient, e.g. executives spent 23 per cent of their time in developing a joint venture situation, but only 8 per cent of their time in setting up a management system to implement that particular strategy. This may be because the development and selection of strategies to be pursued is considered to be easier and less time consuming than implementing them. However, implementation deserves considerable attention for the success of strategies. According lesser importance to the implementation process results into poor implementation which brings the entire plan into disrepute.

1.1.2 Factors in Strategy Implementation

Critical factors are those factors which are key in strategy implementation and must be taken in consideration otherwise the implementation process will be jeopardized. Strategy implementation is a key challenge for today's organizations. There are many (soft, hard and mixed) factors that influence the success of strategy implementation, ranging from the people who communicate or implement the strategy to the systems or mechanisms in place for co-ordination and control. How can we better understand these issues and their importance for successful strategy implementation (Alexander, 1985). According to Singh (1998) five critical factors play a key role in strategy implementation; first the strategy making process which can be considered in terms of selection of best strategy, internal and external environmental analysis, formulation of specific objectives, monitoring the performance continuously and identification as well as evaluation of performance. Secondly top management commitment which can be looked at in terms of their involvement to the implementation process, their willingness to put great deal of effort and allocation of resources at appropriate time and whether or not they give adequate support to the implementation process through building support systems. Thirdly effective leadership which is demonstrated based on whether or not leaders communicate implementation guidelines and whether they have developed a successful implementation approach, encouragement of subordinates to take initiatives and be independent, quick decision making and efficient management of crisis. Last but not the least, rewards and incentives which can be measured in terms of cash rewards, out-of-turn promotions and advance increments.

1.1.3 The Kenya Vision 2030

The vision 2030 development process was launched by H.E. President Mwai Kibaki on 30th October 2006. At the time, he directed that the vision strategy be accompanied with realistic and concrete action plans to take place after ERS expires. He also advocated a consultative approach in its development involving as many ordinary Kenyans and stake holders as possible. The objective of the consultations was to provide in-depth understanding of the country's development problems and the necessary strategies to achieve the 2030 results, by people involved in the implementation of vision 2030 .A detailed 5-year development pan (2008-2012) has been prepared under the coordination of the Ministry of Planning and National Development after which another five-year plan will be produced covering the period 2012 to 2017, and so on till 2030.To achieve that ambition, it has been established that the country must ensure a macro-economic stability as well as addressing other key constrains notably a low saving ratio out of national income. To deliver the country's ambitious growth aspirations it was projected a rise of national savings from about gaining the then 17% in 2006 to 30% in 2012. It would also be necessary to deal with a significant informal economy employing 75% of the country's workers, poor infrastructures and high energy costs (www.nesc.go.ke).

Under Vision 2030, Kenya aims to increase annual GDP growth rates to 10% and to maintain that average till 2030. This is an ambitious goal and the Government is aware of that. But it has the confidence that Kenyans will rise to the challenge as they have done often before. Kenya in fact will be only the 5th country in the world to achieve such a high level of sustained economic growth. Six key sectors described below have been given priority in acting as key growth drivers in the journey to 2030:First, tourism which will be a leading sector in achieving the goals of the Vision. Kenya aims to be among the 10 long haul tourist destination in the world offering a high-end, diverse, and distinctive visitor experience that few of her competitors can offer. Second, increasing value in agriculture which will raise incomes in agriculture, livestock and fisheries by processing and thereby adding value to Kenyan products before they reach the market. She will do so in a manner that enables producers to compete with the best in other parts of the world. Third, a better and more inclusive wholesale and retail trade sector .The 2030 vision for wholesale and retail trade is to move towards greater efficiency in the country's marketing system. It will raise the market share of products sold through formal channels (e.g. supermarkets) from the current 5% to 30% by 2012. Fourth, . manufacturing for the regional market.Kenya aims to become the provider of choice for basic manufactured goods in eastern and central Africa. This will be done through improved competitiveness in manufacturing in order to promote efficiencies, to be done in partnership with the Government.Fiveth, business process off shoring (bpo).This is a new but promising sector to Kenya and especially to its young people. It involves providing business services via the internet to companies and organizations in the developed world, e.g. Britain, USA, Canada. Last but the least, financial services which aims at enabling Kenya have a vibrant and globally competitive financial sector driving high-levels of savings and financing Kenya's investment needs. As part of its macro-economic goals, savings and investment rates will rise from 17% to 30% of GDP.(www.nesc.go.ke).

1.2 Research Problem

To ensure effective implementation of their strategies, strategists need to review and assess various factors which affect the implementation process of their strategies. Many strategies fail because of a lack of consistency among the chosen strategy and many other important factors such as the organisation's structure, reward system and capabilities (Dess and Miller 1993). Therefore, a study identifying strategic factors and assessing their importance to the strategy implementation process assumes great significance.

To ensure success in the Vision 2030 the strategies contained therein must be effectively implemented because without their effective implementation Kenya will not be able to reap its benefits. It would therefore be important for the government to focus on the identification of strategic factors which are of critical importance in the implementation process of the economic pillar of Kenya vision 2030. Despite the fact that Kenya understands the significance of strategy implementation, it has been observed that in most of its projects, implementation often falls far short of the goals that have been set. This is because government strategists and planners forget this vital component of the strategic management process. They are not paying as much attention to planning the implementation of their strategies as they give to formulating them. (Kibet,2004)

There are few studies dedicated to the implementation of strategies in Kenya (this is clearly an area of future research). Abongo (2006) examined the implementation process of the Free

Primary Education in Kenya. He used descriptive statistics to compare the actual process with what had been planned at its inception. He established that the implementation process was not on track. Njoroge (2004) conducted a study on the key success factors in the project management for the implementation of strategic manufacturing initiatives. He examined the case of Kapa Oil Company and found that Research and Development funding was the key impediments in strategic manufacturing initiative.

Several studies have been carried outside Kenya. Some focuses on the actual operational level of strategy implementation, such as Bantel (1997), Homburg & Krohmer & Workman (2004). Bantel (1997) analyzes the effects of two key aspects of product strategy (product leadership and product/market focus) on performance, and on two aspects of strategic implementation (stakeholder input and employee empowerment). This study also emphasized the relationship between product strategy and several strategic implementation variables. Homburg, Krohmer & Workman (2004) point out that market orientation plays a key role for the successful implementation of a PPD (premium product differentiation). As the above literature attests to, evaluation of factor that affect strategy implementation is a high priority for research. Over the years, researchers have examined the differential impact of the factors that affect strategy implementation in developed countries. However, existing studies devoted to assessing factors affecting strategy implementation is scanty in Kenya. This is a gap this study attempted to fill. It focused on the identification of strategic factors of critical importance in implementation of the Vision 2030 to help the Government to assess the extent to which the strategies contained in the economic pillar of the Kenyan Vision 2030 had been implemented. The study sort to address the question: Was the Vision 2030 implementation process on track? The study however hypothesised that give an unfavourable macroeconomic environment, the process might fall short of target.

1.3 Objective of the Study

To identify critical factors which affect the implementation process of the Economic Pillar of The Vision 2030.

1.4 Value of the Study

This study will enable the government to appreciate specific and critical factors concerning the Vision 2030 and assessing their importance to its implementation process. The government will also get an opportunity to assess the extent to which the strategies contained in the economic pillar of the Kenyan Vision 2030 have been implemented and the results achieved as well as evaluating the progress based on what had been projected. This knowledge will form a basis on which future long-term strategies will be formulated.

This study will enable Kenyan from all walks of live to ascertain themselves on whether their expectations of improved living standards embodied in the vision 2030 will be realised. By being able to understand the strategic factors concerning The Vision 2030, they will be able to assess their importance to the implementation process of the Vision 2030 implementation and whether its goals have been achieved in the short term.

Economic strategists and analysts will through this study get an insight on how national economic strategies once formulated should be natured and skilfully implemented including getting a feedback on their success or failure both in the long-term and in the short-term. They will through this study get an insight of the key determinant in the success or failure of The Economic Pillar of Kenya Vision 2030.The study will enable them come up with ideas on how to source efficient leader since leader's role in strategy implementation is critical because they provides the basic leadership and impetus for the implementation process as will be demonstrated in the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This study was an investigation into the critical factors impacting on strategy implementation of the economic pillar of the Kenya Vision 2030. This section addresses and reviews past studies on the subject and critically reviews relevant literature. Attempt is made to do an empirical study, which critiques the fundamental theories of strategy implementation. The chapter comprises of six sections; section 2.2. discusses the concepts of strategic management, section 2.3 examines strategy implementation in general, section 2.4 discusses the factors influencing strategy implementation, while section 2.5 present a summary which seeks to find out any gap in the subject which the literature have not addressed.

2.2 Concept of Strategy

According to Ansoff and Edward(1990), speaking about military aspects of strategy is the most ancient definition in the world. In fact the root of 'strategy' goes back before Macedonia's eras, when Greeks were compelled by Alexander and his father. From Henry Mintzberg's point of view, strategy has a different meaning. He presents a definition of the word initially and says while people seek essentially a unique meaning for its concept; they actually apply it in different meanings. As they accept all the existing definitions, they tend to choose one of them for discussions. He declares that a few terms such as 'perspective' , 'plan', 'poly', 'pattern' and 'position' are used instead of 'strategy'. Mintzberg believes that one meaning should not be preferred to other ones, though from some aspects they are competitors, they complete each other as elements of discussion too. Strategy is a pattern or a plan which integrates goals, policies and operation activities chain of an organization as a whole. If it has been formulated accurately, and considered unified allocation and direction of resources, on the basis of capabilities and even relative inner shortcomings of organization and also environmental foreseen evolutions and intellectual contingency movements of competitors , it would be more effective (Ansoff and Edward,1990).

Strategy refers to all decisions related to business objectives and the courses of actions to achieve them.Strategy consists of corporate decisions planning which clarify and determine vision, mission, and objectives, defining policies and basic plans for achieving to those goals, defining scope of company's activities and specifying the kinds of economic and human type of the organization. Strategy is an attitude or means that an organization selects for achieving long and shortrun goals facing present and future situations. Strategy is a macro future oriented plan for responding to competitive environment aiming optimization of goal attainment. A pattern for organizational movements and managerial contacts in order to gain operational and ideal objectives and to follow mission of organization (Ansoff and Edward,1990).

2.3 Strategy Implementation

Strategy implementation is the process of translating strategic plans and policies into results. Although the literature on strategy implementation is growing, it is not so well developed as the literature on strategy formulation (Certo and Peter 1991). This is because strategy formulation has received considerable attention in the planning literature as compared to strategy implementation. Strategy implementation has only recently begun to receive research attention compared to that of strategy formulation (Galbraith and Kazanjian 1986; Hrebiniak and Joyce 1984; Lorange and Murphy 1984; Nutt 1986). However, the research available on the subject of whatever nature and magnitude corroborates the fact that the success of organizations depends on the effective implementation of strategies. It plays a vital role in the attainment of corporate objectives of a firm. Without the effective implementation of strategy organizations are unable to reap the benefits of performing an organizational analysis, establishing organizational direction and formulating organizational strategy. The most elegantly conceived, most precisely articulated strategy is virtually worthless unless it is implemented successfully.

Despite the fact that the organizations understand the significance of strategy implementation, it has been observed that in most of the organizations implementation often falls far short of the goals that organizations have set for themselves. This is because organizations and their managers forget this vital component of the strategic management process. They are not paying as much attention to planning the implementation of their strategies as they give to formulating them. Jauch and Glueck (1988) report that executive investment in implementation has been insufficient, e.g. executives spent 23 per cent of their time in developing a joint venture situation, but only 8 per cent of their time in setting up a management system to implement that particular strategy. This may be because the development and selection of strategies to be pursued is considered to be easier and less time consuming than implementing them. However, implementation deserves considerable attention for the success of strategies. According lesser importance to the implementation process results into poor implementation which brings the entire plan into disrepute. A survey of 44 Indian Journal of Industrial Relations conducted by Fortune Magazine concluded that 90 percent of strategies do not work; implementation was believed to be the simple most important cause of that failure (Waterman et al 1988).

Although the literature on strategy implementation is growing, it is not so well developed as the literature on strategy formulation (Certo and Peter 1991). This is because strategy formulation has received considerable attention in the planning literature as compared to strategy implementation. Strategy implementation has only recently begun to receive research attention compared to that of strategy formulation (Galbraith and Kazanjian 1986; Hrebiniak and Joyce 1984; Lorange and Murphy 1984; Nutt 1986). However, the research available on the subject of whatever nature and magnitude corroborates the fact that the success of planned strategies depends on their effective implementation.

Strategy implementation is an administrative task and inherently behavioural in nature (John and Richard, 1986). The implementation tasks put to test the strategists' abilities to allocate resources, design structures, formulate functional policies and take into account the leadership styles required, besides dealing with various other issues. For planning the implementation of their strategies effectively strategists need to review and assess various factors which affect the implementation process of their strategies. In Kenya many strategies fail because of a lack of consistency among the chosen strategy and many other important factors such as the lack of top management and employees' commitment, ineffective leadership, corruption etc (Dess and Miller, 1993).

To ensure successful performance, a strategy must be translated into carefully implemented action. This means that first, the strategy must be translated into guidelines for the daily activities of the firm's members, second ,the strategy and the firm must become one- that is, the strategy must be reflected in; the way the firm organizes its activities, the key organizational leaders and the culture of the organisation. Third, the manager must put into place "steering" control that provide strategic control and the ability to adjust strategies, commitments and objectives in response to ever-changing future conditions. Fourthly, organisations must make a serious commitment to be innovative and must consider bringing the competitive and rapidly changing global arena. Measuring performance has been part and parcel of any successful business entity. It is strategic because the long run survival of any organisation depends on its performance measure to evaluate the overall health of organisations. However in measuring performance, there is no doubt that companies still face the following problems; what variables to be considered? What methodology to be used to evaluate the stability of these variables? How to generate values for these variables? and many more (Jauch and Glueck, 1988).

There is no doubt that there is a link between project performance and the strategy in place. But the problem is to identify the right variable to establish this relationship still exists. Previous attempt to measure Project performance have ignored the extent of the impact of some very important factors like top management and employees commitment, production effectiveness, efficiency, client and employees satisfaction, research and development and corporate social responsibility (Certo and Peter, 1991)

Otieno (2010) did a study on strategy implementation at the Mombasa Water and Sewerage company. Six respondents drawn from the senior management level were interviewed and their responses analysed by use of qualitative approach based on meaning expressed through words. The data was collected through observation, description and interviews. The study established that the company has used a linkage between strategic business performance and individual employee performance.

Akello (2010) examined the challenges of implementing competitive strategies in the insurance industries in Kenya. The study was a census survey which focused on top ten insurance industries using questionnaires, she used descriptive statistics and factor analysis to conduct the data analysis. She found that; areas of competition experienced mostly by Insurance organisations in the last five years included customer satisfaction profile, prices, products differentiation and technological advancement. She noted that challenges affecting implementation process in insurance industry were poor leadership style, lack of management commitment, poor communication and failure to come up with corrective measures for any deviations.

Marete (2010) assessed the challenges facing implementation of Kenya Human Rights Commission's Strategic Plan (2008-2012). The study also sort to document what the commission was doing to mitigate these challenges. The study adopted a case study research design and used interview method of date collection to interview members of the commission as well as some selected stake holders and content analysis was used to analyse the data. He found that some of the challenges faced in the strategy implementation included limited financial resources, staff retention, lack of buy-in on some strategic plan, organisational structure, leadership gaps' lack of a functional monitoring and evaluation structure and disconnect between strategy formulation and strategy implementation.

Kinyanjui (2010) evaluated Nokia's response to challenges in strategy implementation in Africa. Data used included both secondary and primary data obtained from managers, directors and other staffs in the rank of management from which a content analysis was employed. He found that, early involvement of firm members in the strategy implementation process helped members understand super-ordinate goals. 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. He also concluded that strategic planning as in responding to challenges of strategy implementation.

Lutta (2010) conducted a study on the challenges of implementing strategic plan at Mumias Sugar Company limited. She used self administered questionnaires to conduct a descriptive survey and analysed the data using SPSS computer software based on frequency distribution, percentages, means and standard deviations. She identified the following factors as affecting strategy implementation in the company; resistance to change, poor policies, education and training for employees and stakeholders etc.

Acholla (2010) assessed the challenges of strategy implementation at the Kenya Medical Research Institute. His study was modelled on a case study design and data was collected through face to face interview based on open ended questions. Data was analysed using content analysis and inferences made based on consistency, credibility and adequacy of data. He revealed that most of the challenges encountered in the process of implementing the strategic plan revolved around the bureaucratic culture existing in the institution.

2.4 Factors Influencing Strategy Implementation

Providing a discussion of an entire strategy development and implementation model Freedman (2003) ultimately suggested the following key factors to successful strategy implementation: Communicate the strategy, drive and prioritize planning, align to the strategy with organisation, reduce complexity and install an issue resolution system. According to Kaplan & Norton (2004) the following are sets of best practices and their sub- components for implementing and executing strategy in organisations: mobilize change through effective leadership, translate the strategy to operational terms, align the organisation to the strategy, motivate to make strategy everyone's job and govern to make strategy a continual process. In an attempt to simplify quite complex model, Kaplan and Norton (2004) provide five key areas that need to be addressed to support successful strategy execution; translate the vision, communicating and linking, business planning feedback and learning and leadership.

According to William (1991), there is a list of essential criteria for successful strategy implementation. There must be potential benefits from planning for the CEO and organisation as a whole. Strategic plan must be explained, applied and implemented so that the relevant managers can understand the. Relatively complex planning tasks must be capable of being broken into smaller elements. The plan must identify part of the business that can be managed in strategic manner. To the extent that the plans break with tradition, successful implementation occurs as natural evolution of experience and understanding. There must be a well defined readily available sponsor for each planning and implementation task. There must be a clearly felt need by and each level of management must see benefits that address their relevant needs. The plan must demonstrate some relatively quick results, but as an essential effort, aspirations should not be set too high. There must be also an early commitment support and participation in planning effort by all the affected users. Finally, there must be a realistic assessment of resource needs. This include making necessary staff and support facilities available, providing necessary budget for training, meetings, equipments, etc.

According to Thompson and Gamble (2006), there are eight components of strategy execution process. These are factors which determine the effectiveness of strategy implementation; Resources, strategy, policies and procedures, best practices, information, incentives, culture and leadership. For successful strategy implementation, the measurement should consider all the eight components given above. The management of an organisation therefore should integrate the eight components to their strategic management process. According to Chandler (1993) the organizational structure has been influenced by its strategies (Structure follows Strategy). To distinguish between strategy and structure, setting long & short-term goals, finding the path to obtain goals and allocating resources are the strategy components and the formation of these elements to implementing strategies is called structure. So structure consists of corporate hierarchy, division of labour, delegating and communications. Besides initial information and organization's current issues are included.

According to Waterman at. Al (1998), success depends to motivating employees which is the art of managers. It is wasteful job if formulated strategies could never been implemented. Managers should notice to skilled employees as the most important strategic resources and the secret of organization's growth. Generally, on the basis of experiences in some big companies, four dimensions should be considered as below: - Finding new ideas among world wide key managers via overcoming irregular problem against innovation. - using knowledge for inventing new products and empowering organization in competitive environment - using modern technology for distribution channels - changing attitudes towards reducing customers costs trough modern technology and value chain consideration. This approach is called "growth on the basis of interior potentials". Mitchell (1992) emphasizes on the importance of relationship between main goals and operational targets of organization and its technological strategy. There should be a wide consensus of opinion among technical, commercial, and official departments of any organization. Mitchell presents a few questions which both technical and commercial strategic planners should respond: How much is the relationship between technology and business?, Which commercial strategies need technology? How it (technology) can be gained? Researches should be focused on what kind of technologies? What are our main technologies for business? Which new strategic options designate technologies?

2.5 Summary of Literature Review

Without the effective implementation of strategy organizations are unable to reap the benefits of performing an organizational analysis, establishing organizational direction and formulating organizational strategy. Although the literature on strategy implementation is growing, it is not so well developed as the literature on strategy formulation (Certo and Peter 1991). This is because strategy formulation has received considerable attention in the planning literature as compared to strategy implementation. The identification of critical factors and their impact on strategy implementation has been the subject of considerable research and scrutiny by strategists in developed nations; the available empirical studies are scanty in Kenya. However, corporate studies in Kenya has been concentrated on challenges facing strategy implementation, (Ndubi, Otieno, Kimathi, Wambugu, Githinji, 2006), Achieng, Akello, Atandi, Otieno, Rogers, Kipkoech, Juba, Lutta, Mukami, Mwachia, 2010).

Therefore, a study identifying strategic factors and assessing their importance to the strategy implementation process assumes great significance. It is not possible to spell out all these factors because numerous and different factors affect implementation process in different situations. However, the identification of crucial and critical factors would be of great help in effective implementation of strategies. This paper is an attempt in this direction. It focuses on the identification of strategic factors of critical importance in strategy implementation of the economic pillar of Kenya Vision 2030 to help the government to plan the implementation of their strategies effectively.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter consists of five sections; section 3.1 is the introduction, section 3.2 comprises the research design, section 3.3 is the target population, section 3.4 is about data collection method, section 3.6 involves data analysis.

3.2 Research Design.

This study adopted a case study to establish critical factors in strategy implementation of the Economical pillar of the Vision 2030. According to Yin (1994) a case study allows an investigation to retain the holistic and meaningful characteristics of real life events. Kothari (2004) noted that a case study involves a careful and complete observation of social units. Its 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. Primarily data collected from such a study is more reliable and up to date.

3.3 Data Collection Method

The study entailed use of primary data collected using an interview guide. The respondents were exposed mainly to questions which addressed factors affecting the implementation process of the Economic Pillar of the Kenya Vision 2030. The researcher made appointments with the respondents with detailed schedule of place, date, and time of the interview. The interviewees were the heads of the pillars of vision 2030 who were: head of the Economic pillar and head of Social pillar.

3.4 Data Analysis

Each collected interview guide was checked for completeness and consistency. Since the data collected was qualitative in nature, factor analysis was used to analyse the data. According to

Kothari (1990) Factor analysis is the analysis of specified issues that are believed to influence the outcome of a specified event. According to Mugenda and Mugenda (2003), Factor analysis is the qualitative description of composition of the object or material of study. It involves observation and detailed description of objects, items or things that comprise the sample. The technique uses a set of categorization for making valid and replicable inference from the data collected. It also guards against selective perception of factors, provide vigorous application of reliability and validity criteria. It also does not restrict the respondent on answers and it has potentials of generating more detailed information (Cooper and Schindler, 2003).

The data was broken down into different aspects of strategic responses and arranged into logical groups and analysed. This offered a systematic and qualitative description of the objective of the study.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter comprises of four sections; section 4.2 is the strategic factors reflecting strategy making process, 4.3 is strategic factors reflecting top management commitment, section 4.4 is the strategic factors reflecting effective leadership, section 4.5 is the strategic factors reflecting employees' commitment while section 4.6 is the strategic factors reflecting rewards and incentives. The data analysis was guided by the research objective which was to identify critical factors which affect the implementation process of the Economic Pillar of The Vision 2030.

4.2 Interviewees

4.3 Research Findings

The results of the finds are as follows;

4.3.1 Strategic Factors Reflecting Strategy Making Process

The results of this research suggested that the first and the foremost important factor for effective strategy implementation of the economic pillar of the Vision 2030 is the strategy making process itself. The respondents reported that organizations need to pursue the components of strategy formulation process effectively for formulating the strategies which are implementable. The interview reveals that both respondents feel that selection of the best strategy is extremely important for effective strategy implementation. They were also of the opinion that the issues external environmental analysis , formulation of specific objectives and identification and evaluation of alternatives were also very important. Other factors i.e. internal environmental analysis in terms of strengths and weaknesses and preparation of operational plans were also noted to be very important. Thus, all the factors/components identified in Table 4.3.2are of critical importance strategy making process. A strategy formulated by planners with ivory towers perceptions and without considering these critical factors may itself not be implementable. It leads one to conclude that a well conceived strategy is one that takes into account issues of implementation during the strategy formulation process.

Table 4.3.1

Strategic Factors Reflecting Strategy Making Process
1. External environmental analysis (identification of threats and opportunities)
2. Formulation of specific objectives
3. Internal environmental analysis (evaluation of strengths and weaknesses)
4. Identification and evaluation of alternatives
5. Selection of the best strategy
6. Preparation of operational plans

Source: Author 2011

4.3.2 Strategic Factors Reflecting Top Management Commitment

Top management commitment refers to the involvement and support of top management to the implementation process. Managers surveyed accorded great importance to the top management commitment for effective strategy implementation. Table 4.3.2 summarizes ten strategic factors they assumed to be important and reflecting the top management commitment to Strategy Implementation: The results reflect that the respondents respectively believed that the factors willing to put great deal of effort and allocating resources at appropriate time were extremely important for strategy implementation. These were followed closely by managers according extreme importance to giving adequate support to implementation process, building supporting system and to making necessary changes in organisational structures.The respondents also viewed other factors as very important. Hence, all the factors identified in Table 4.3.2 are of strategic importance and the top management commitment to the strategy implementation process s essential. Without such commitment the whole process of strategy formulation and implementation is doomed to failure.

Table 4.3.2

Strategic factors Reflecting Top Management Commitment
1. Willing to put great deal of effort
2. Understanding responsibility for managing the implementation process
3. Allocating resources at appropriate time
4. Ready to make necessary change in organisational structure
5. Giving adequate support to implementation process
6. Building supporting systems
7. Responding quickly to implementations' suggestions
8. Responding quickly to implementers' difficulties
9. Involving competent people in implementation
10. Monitoring the performance continuously

Source: Author 2011

4.3.3 Strategic Factors Reflecting Effective leadership

Effective Leadership Leadership is the key determinant in the success or failure of any human institution. The leader's role in strategy implementation is critical because he provides the basic leadership and impetus for the implementation process. Effective leadership is required at all levels of the implementation process for decision-making, guidance, support and motivation of people involved in implementation. Organisations need to assess the factors which contribute towards effective leadership in implementation process. In this context **Table 4.3.3** shows ten strategic factors reflecting effective leadership and their importance. The respondents reported all these factors as very important. The two most important factors contributing to effective leadership were communicating implementation guidelines and developing successful implementation approach. These were followed by encouraging subordinates to take initiative and be independent, quick decision making and efficient management of crisis. The rest of the factors were of moderate importance. Therefore, it can be concluded that the factors reported in Table 4.3.3 are of critical importance for making the leadership effective for successful implementation of the strategies.

Table 4.3.3

Strategic Factors Reflecting Effective leadership

1. Communicating implementation guidelines
2. Developing successful implementation approach
3. Taking decisions quickly
4. Managing crisis efficiently
5. Using power with caution
6. Willing to take risks
7. Guiding subordinates continuously
8. Optimistic and realistic outlook towards subordinates
9. Motivating subordinates for better performance
10. Encouraging subordinates to take initiative and making them independent in thinking and action

Source: Author 2011

4.3.4 Strategic Factors Reflecting Employees Committment

Employees commitment refers to the willingness of employees to put great deal of effort and work with sincerity and dedication and in cooperation with others. Employees commitment has en rated as a very important factor in effective strategy implementation by the sample anagers . The strategic factors reflecting employees commitment have been portrayed in **Table 3.4** **The table shows that the respondents rated the factors willing to put great deal of effort,** willing to co-operate with each other and working with sincerity and dedication as extremely mportant for strategy implementation. The factors willing to spend maximum possible time in work related activities, openness to new experiences and ideas and willing to receive guidance from leaders were reported as very important by the respondents. Thus, for judging the degree of employees commitment towards the strategy implementation process the factors highlighted in Table 4.3.4 assumed critical significance.

Table 4.3.4

Strategic Factors Reflecting Employees Commitment

1. **Willing to put great deal of effort**
2. Willing to co-operate with each other
3. Willing to spend maximum possible time in work related activities
4. Willing to support organisational change
5. Working with sincerity and dedication
6. Openness to new experiences and ideas
7. Willing to receive guidance from leaders
8. Constantly striving to do the best

Source: Author 2011

4.3.5 Strategic Factors Reflecting Rewards and Incentives

According to the respondents, the most significant opportunity to improve the rate of success of strategy implementation is to tie rewards and incentives to successful strategic plan implementation. When rewards and incentives are tied to successful implementation of strategies, gers come to see improved performance as a necessary and normal part of their jobs. In the nce of effective linkage between rewards and performance people get demoralized, icious and lose the excitement of contribution. Therefore, organizations should design ctive rewards and incentive schemes for motivating their people to contribute their best to the plementation process. Table 4.6 reflects the various schemes of rewards and incentives. The sults reveal that cash rewards are accorded highest importance by respondents, followed by out -turn promotions and advance increments. The respondents ranging reported these schemes as ery important. However, in this context it needs to be mentioned that while it would be very asy for companies to tie financial rewards to better performance, giving out of turn promotions may not be acceptable to all employees. Therefore, the scheme of out-of-turn promotion may be implemented only after seeking the support of all people of the organization. Thus, firms can use monetary incentives and other schemes to focus the attention of their managers and other employees on key elements of strategy implementation to achieve success. However, for any performance based incentive system to work, the affected employees must understand the relationship between performance and rewards.

Table 4.3.5

Strategic Factors Reflecting Rewards and Incentives
1. Advance increments
2. Out-of-turn promotions
3. Cash rewards
4. Awards of excellence
5. Commendation letters
6. Appreciation and public recognition
7. Fully-pay leave related

Source: Author 2011

4.4 Discussion

The results of this study reflect that the respondents viewed all the five factors, viz., strategy making process, top management commitment, effective leadership, employees' commitment and rewards and incentives as of critical importance for effective strategy implementation. A detailed examination of all these factors was undertaken for deriving authentic conclusions.

Evaluation of factors that affect strategy implementation is a high priority for research. Over the years, researchers have examined the differential impact of the factors that affect strategy implementation in developed countries. However, existing studies devoted to assessing factors affecting strategy implementation is scanty in Kenya. This study complements existing literature by focusing on the identification of strategic factors of critical importance in implementation of the Vision 2030 to help the Government to assess the extent to which the strategies contained in the economic pillar of the Kenyan Vision 2030 had been implemented.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

.1 Introduction

This chapter comprises of four sections; section 5.2 is the discussions, 5.3 is the conclusion, while section 5.4 is the recommendations and suggestions for further studies.

5.2 Summary of Findings

The success of any strategy mainly depends upon the successful implementation of well conceived strategies. Successful implementation requires that the strategy, the organization, the people and their relationships, the systems and the measures all must be aligned and made to work towards a common goal. In this context the identification of strategic factors/issues and assessment of their importance in strategy implementation process assumes great significance. This paper is addressed to this vital subject. It spells out strategic factors/issues of critical importance under the dimensions of strategy making process, top management commitment, effective leadership, employees commitment and rewards and incentives.

5.3 Conclusion

The research results of this study paint a striking picture of the importance of the strategy making process itself for effective strategy implementation of the Economic Pillar of the Kenya Vision 2030. The respondents believed that managers should develop best strategies after scanning their external and internal environments thoroughly. A poorly developed strategy is not implementable itself and is an exercise in futility. Similarly, the respondents accorded considerable importance to the top management commitment towards the implementation process. The critical tasks for the top management team are strategic allocation of resources, the appointment of leaders, the staffing, the development of the organisations and monitoring of performance. Moreover, the top management, because of its knowledge of both the external environment and the overall business, is in the best position to define the broad strategic direction. In a similar way leaders's role in the strategy implementation has been identified as critical. This is because he provides the basic leadership and impetus for the implementation process. However, the top management and the leaders cannot do it alone. They need the active support and commitment of the people working at lower organizational levels who are deeply involved in actually implementing strategies. Furthermore, the managers also reported that rewards and incentives play a significant role in motivating people to contribute their best. When financial rewards are tied to the successful implementation of strategies, employees come to see better performance as a necessary and normal part of their jobs. Thus, the overall results of the study indicate that the factors/ issues identified in this study are of critical importance in the implementation of the Economic Pillar of Kenya Vision 2030. Managers need to focus on these factors/issues meticulously while planning the implementation of their strategies and during the course of their execution. Failure of strategy implementation are inevitable when managers fail to accord due importance to these factors during the process of implementation.

5.4 Reccommendations

The following paragraphs discuss the recommendations of the study.

5.4.1 Recommendation to the Vision 2030

Each factor/ issue identified in this study needs further detailed examination for exploring various dimensions of its relationship with the implementation process of the economic Pillar of the kenya Vision 2030. However, the factors identified are of critical importance to the implementation process and should therefore be accorded great importance.

5.4.2 Recommendations For Further Research

The subject of examination of each fact identified is beyond the scope of this study. However, it assumes great significance and therefore should command an increased amount of attention of researchers in the field. A series of studies need to be undertaken to assess in detail the influence of each factor on the implementation process. The findings of the present study would be of great help in this context. Although it would be inappropriate to claim that the results of the study have universal validity, but the fact that the managers surveyed were selected.

5.5 Limitations of the Study

The process of data collection was marred with time shortage the led to an abrupt change in the tools of data collection.. Initially, it was the researcher's intention to use questionnaires but time limits led to the use of interview method.

Data was only collected from two managers unlike the earlier intention of interviewing workers generally.

The number of questionnaires that filled and were returned by respondents was generally less than the expected number and hence this may have had some impact on the data collected.

The small scale tea sector is a very sensitive sector partly due to political reasons, its position in the economic stability of Kenya, the peasant farmers it serves and also the volume of money that it handles. As a result of this some of the respondents may have felt uneasy to participate in the provision of data due to their organizational policy on what to share with strangers regarding their organization more especially on the procurement policies.

However, the sample data obtained is believed to be representative enough of the population and therefore any statistical inferences made are also believed to be applicable to the whole population. The sample data generally gave an opinion on the supply chain management practices and challenges for the small scale tea sector in Kenya.

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APPENDIX ONE

Interview Guide

Interview guide on Critical Factors in Strategy Implementation of the Economic Pillar of Kenya Vision 2030.

PART A: PERSONAL ATTRIBUTES

1. Job position..

2. Period Worked..

PART B: RESPONDENT'S VIEWS

What is your view on the following critical factors that influence strategy implementation at vision 2030

1. **Strategic Factors in Strategy Making Process**

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2. **Strategic Factors Reflecting Top Management Commitment**

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3. **Strategic Factors Reflecting Effective Leadership**

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4. **Strategic Factors Reflecting Employees Commitment**

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5. Rewards and Incentives

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Thank you for your time and assistance