

**STRATEGY IMPLEMENTATION CHALLENGES FACING KENYA BUREAU
OF STANDARDS**

BY

CATHERINE NDINDA NDUVA

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

NOVEMBER, 2011

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DECLARATION

This Research project is my original work and has not been submitted for examination to any other university or college for the award of degree, diploma or certificate.

Signature 

Date 

Name: Catherine Ndinda Nduva

Reg No.: D61/71083/2008

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

Signature 

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Special thanks to the MBA lecturers, who offered their useful input and my fellow student who encouraged me and challenged me to successfully produce this document on time. Finally my gratitude goes to my husband Alex and sweet daughter Gloria for encouragement, support and understanding throughout the project.

“May God bless them all”

DEDICATION

This project is dedicated to my husband Alex, and daughter Gloria for supporting me throughout the MBA course. My parents, brothers and sister for their prayers, inspiration, encouragement and support. God bless you always.

ABSTRACT

Strategic management the way in which an organization identifies its strategic direction and aligns its operational processes to its strategy. Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve the organizational objectives. Difficulties in strategy implementation are occasioned by obstacles or impediments to the implementation process. The study narrowed its research to strategy implementation challenges facing Kenya bureau of standards.

The case study design was used and data was collected through the use of interview. The target population was 10 respondents from senior management of KEBS. The McKinsey's 7-S model was used as a guide on the themes of analysis as concerns the strategy implementation challenges. This was used as the basis for making conclusion and recommendation.

The study evaluated strategy implementation process and established strategy implementation challenges facing KEBS. The study revealed that KEBS has a strategic plan and it's implemented through implementation scheme that that guides the implementation process. The challenges facing strategy implementation at KEBS included poor internal communication, unsound reward system, mismatch between strategy and organizational structure, incompatible culture, resources insufficiency, failure to revise strategic plan, and inadequate technical staff and inappropriate policies. The study recommends that management should work toward effective communication,

compatible culture, effective policies, efficient systems, diversification of revenue collection, recruitment of adequate technical staff and training staff to fill the skills gap.

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LIST OF ABBREVIATIONS

BBK	Barclays Bank of Kenya
EAC	East African Community
IBM	International Business Machines
KEBS	Kenya Bureau of Standards
MSTQ	Metrology Standardization Testing Quality Assurance
NSC	National Standards Council

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CHAPTER ONE: INTRODUCTION

Background of the Study

For a firm to survive and prosper a strategy is important. Strategy helps a firm create a fit between the organization and its environment in an effort to enable the organization adapt to its turbulent environment. How the strategy is planned formulated and implemented is therefore important.

Strategy formulation and implementation is a continuous and systematic process for making decision about the organization future developing the necessary procedures and operations to achieve that future and determine how success is to be measured. It is a systematic process through which an organization argues on and builds on commitment among stakeholders to priorities which are essential to its vision and mission and to be responsive to the ever-changing operating environment (Kaplan & Norton, 2001).

Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve objectives (Olson et al., 2005). The strategy implementation process is easily the most complicated and time consuming part of strategic management (Hrebiniak, 2005). Most managers know a lot more about strategy formulation than implementation. Although intricately linked strategy implementation is fundamentally different from strategy formulation. Strategy implementation is difficult and worthy of managements alienation across all levels of an organization.

1.1.1 Concept of Strategy

Strategy means different things to different people. Strategy like any other concepts in the field of management does not have all embracing definition strategy is an elusive and somewhat abstract concept (Ansoff, 1994). This must be expected when dealing with an area that is constantly developing.

Strategy is a multi-dimensional concept and various authors have defined strategy in different ways. Chandler (1962), in strategy and structure, calls strategy the determination of basic long term goals and objectives of an enterprise, and the adoption of course of action and allocation of resources necessary for carrying out these goals. Strategy is the match between an organization's resources and skills and the environmental opportunities and risks it faces and the purpose to accomplish (Hofer 1978), it is meant to provide guidance and direction for activities of the organization, since strategic decisions influence the way organizations respond to their environment, the purpose of strategy is to provide direction to the organization that permit it to achieve its objectives while responding to the opportunities and threats in environment (Schender and Hofcr, 1979)

Quinn (1980) identifies strategy as plan, which puts together an organization's major goals, policies and action sequences. A well formulated strategy enables an organization marshal and allocates its resources in a unique way on the basis of its relative internal competences and limitations expected chances in the environment and contingent actions by competitors. A company strategy is the management's action plan for running the business and conducting operation (Thompson et al 2007).

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Strategy is about winning. It provides unity of purpose and direction to organization. Strategy can also act as a vehicle of communication and coordination within the organization (Grant, 1998). Johnson and Scholes (2003), define strategy as the direction and scope of an organization over the long-term: which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations".

According to Pearce and Robinson (1997), strategy enables the organization focus on their resources and efforts. This ensures that critical tasks are allocated adequate resources strategy is a necessary ingredient for effective organization. The structure of the organization follows the strategy of that organization (Chandler, 1962). This interrelationship helps in matching the structure with organization.

According to Grant (1998) strategy is viewed as a vehicle for achieving three key managerial purposes: strategy as decision support, as a vehicle for coordination and communication and strategy as a target. As a decision support strategy establishes a set of guidelines and criteria of how individual decisions will be made. Strategy as a vehicle for coordination and communication helps achieve consistency in decision over time and across department and individuals with the organization. A key vehicle of communicating strategy is the mission statement a summary of the essence of the organization strategy and purpose.

Thus strategy represents a management commitment to pursue a particular set of actions in growing the business, attracting and pleasing customers, competing successfully, conducting operations, and improving the company financial and market performance. Thus a company strategy is all about how management intends to grow business, how it will build a loyal clientele and outcompete rivals, how each functional piece of business (research and development, supply chain activities, production, sales and marketing, finance and human resources) will be operated, how performance will be boosted.

1.1.2 Concept of Strategy Implementation

In recent years organizations have sought to create greater organizational flexibility in responding to environmental turbulence by moving away from hierarchical structures to more modular forms (Balogun and Johnson, 2004). Responsibility, resources and power in firms has been the subject of decentralization and delayering. Given an intensifying competitive environment, it is regularly asserted that the critical determinant in the success and, doubtlessly, the survival of the firm is the successful implementation of marketing strategies (Chebat, 1999). The role and tasks of those employees charged with strategy implementation duties, the mid-level managers, in these new restructured organizations is under scrutiny.

Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve objectives (Olson et al., 2005). Today's global competitive environment is complex, dynamic, and largely unpredictable. To deal with this unprecedented level of change, a lot of thinking has gone into the issue of how strategies

are best formulated (Olson et al., 2005). The strategy implementation process is easily the most complicated and time consuming part of strategic management (Hrebiniak, 2005). Most managers know a lot more about strategy formulation than implementation. Although intricately linked strategy implementation is fundamentally different from strategy formulation. .

Historically, numerous researchers in strategic management bestowed great significance to the strategic formulation process and considered strategy implementation as a mere by-product or invariable consequence of planning (Wind and Robertson, 1983). Fortunately, insights in this area have been made recently which temper our knowledge of developing strategy with the reality of executing that which is crafted (Olson et al., 2005). However, as strategy implementation is both a multifaceted and complex organizational process, it is only by taking a broad view that a wide span of potentially valuable insights is generated.

The problem with strategy implementation is the de facto success rate of intended strategies. In research studies it is as low as 10 percent (Judson, 1991). Despite this abysmal record, strategy implementation does not seem to be a popular topic at all. In fact, some managers mistake implementation as a strategic afterthought and a pure top-down-approach. Instead, management spends most of its attention on strategy formulation. Research emphasizing strategy implementation is classified by Bourgeois and Brodwin (1984) as part of a first wave of studies proposing structural views as important facilitators for strategy implementation success. Beyond the preoccupation of

many authors with firm structure, a second wave of investigations advocated interpersonal processes and issues as crucial to any marketing strategy implementation effort (Noble and Mokwa, 1999).

Conflicting empirical results founded upon contrasting theoretical premises indicate that strategy implementation is a complex phenomenon. In response, generalizations have been advanced in the form of encouraging: early involvement in the strategy process by firm members (Hambrick and Cannella, 1989); fluid processes for adaptation and adjustment (Drazin and Howard, 1984); and, leadership style and structure (Bourgeois and Brodwin, 1984).

Difficulties in strategy implementation are occasioned by obstacles or impediments to the implementation process. Hrebiniak (2005) observes that then difficulties often include longer timeframes needed for execution; the need for involvement of many people in the implementation process; poor or vague strategy; conflicts with organizational power structure; poor or inadequate sharing of information; lack of understanding of organizational structure, including information sharing and coordination methods; unclear responsibility and accountability in the implementation process; and inability to manage change; including cultural changes.

Today's businesses have become sophisticated. The environment in which businesses are operating is becoming continuously complex, competitive dynamic and extremely turbulent. Senior manager are at the same time under pressure to perform, ensure

profitability and overall success of the organization. Success in this generally dynamic environment that business operate in is a serious challenge more so in view of the various internal and external factors that are often than not hamper achievement of the desired success. This has brought about the need for complex decision making process. The success or failure of business is attributable to how strategic the decision making process made to be. Senior executives have therefore resorted to employing strategic management as a means of ensuring organizational success. In order to survive, this would require sound strategic management process which not only address the formulation but also has inbuilt sound implementation program.

1.1.3 Kenya Bureau of Standards

The Kenya Bureau of Standards (KEBS) was established in 1974 and became fully operational by 1975 by the enhancement of the CAP 496 of the laws of Kenya. KEBS is run by a Board of Directors known as the National Standards Council (NSC). The National Standards Council (NSC) is the policy-making body and is also responsible for supervising and controlling the administration and financial management of KEBS. The Managing Director/Director General, who is the Chief Executive and Secretary of the NSC, is responsible for the day-to-day administration of KEBS within the broad guidelines formulated by the NSC.

Its main activities at that time of its inception were development of standards and quality control for locally made products. The metrology laboratories started operating in 1980, followed by testing laboratories in 1982. Due to increased trade liberalization, import

inspection commenced in 1995 and pre-verification of imports to conformity of standards was started in 2005.

KEBS goals are: to facilitate trade and the realization of the Kenya's social and economic priorities through standardization; to provide national traceability of measurements to the International System of Units(SI); to provide national testing reference laboratory services; ensuring implementation of standards for fair trade and consumer protection; reducing the level of substandard imports to promote fair trade enhancing Quality Assurance and inspection capacity and competencies; ensuring KEBS organizational excellence through conformity and achieve recognition of its systems to international standards, guides and best practices; to provide internationally recognized Certification Services and to entrench a culture of quality in the Kenyan society

The Kenya Bureau of Standards (KEBS) has remained the premier government agency for the provision of Standards, Metrology and Conformity Assessment services since its inception in 1974, when it was established. Over that period its main activities have grown from the development of standards and quality control for a limited number of locally made products in the nineteen seventies to more comprehensive Standards development, Metrology, Conformity Assessment, Training and Certification. With the re-establishment of the East African Community (EAC), KEBS activities now include participation in the development and implementation of SQMT activities at the regional level.

The other services which KEBS now provides are training in Management Systems and Certification Services. KEBS also carries out other functions under the WTO Agreement

on Technical Barriers to Trade (TBT) and the Agreement on Pre-shipment Inspection. Thus, over the last three decades, the scope of KEBS' activities has expanded from development of standards and provision of Standardization of commodities and codes of practice to cover Standardization and Conformity Assessment for commodities and services in all sectors of the economy not only in Kenya but also in the Eastern Africa region.

Administratively KEBS is divided into four functional Divisions, in addition to the Directorate, namely- Standards Development Division; Quality Assurance and Inspection Division; Metrology/Testing Division; and Support Services Division. Through the 2007-2012 Plan KEBS is set to move from a vertically integrated system to increasingly autonomous institutions that are adequately equipped in terms of management practices, resources and facilities to provide pertinent services nationally, regionally, and at the international level. In this respect some core functional areas of KEBS will become semi/fully autonomous agencies while others will be reorganized for greater effectiveness. Where need arises, some of the business functions will be outsourced.

Given the expansion of the scope of KEBS services over the years, there have been concomitant developments in its management structure in response to its internal dynamics and to the government-wide public sector reforms that are aimed at achieving improved service delivery by public sector organizations. Key among these reforms has been the introduction of strategic planning. The Kenya Bureau of Standards adopted strategic planning as a management tool in 2003 when its first Plan was prepared. The 2007-2012 Plan is its second Strategic Plan

The management through the strategic plan sought to lay the foundation for the country's quality infrastructure for sustainable development for the next 30 years starting with current 5-year Strategic Plan. The overall economic performance of the economy will depend to a large extent on the application of Standards, Metrology and Conformity Assessment. A country can only develop substantively and sustainably with an embedded measurement system that has traceability to guarantee confidence in products for both the domestic and export markets. Such an embedded measurement system must also be the foundation for resolution of national issues in research and innovation.

This strategic Plan was to assist the Kenya Bureau of Standards to achieve its goals and objectives obligations under the performance contracts with the Government. This plan also seeks to deepen the use of strategic planning as a management tool at KEBS by ensuring the participation of its Council and management staff in developing the Plan and its implementation scheme.

1.2 Research Problem

Crafting and implementing a strategy for the business are at the core of management functions. Among all things that managers do, few affect organizational performance more lasting than how well the management team handles the task of charting the organization's long term direction, developing effective strategic moves and approaches, and executing the strategy in ways that produce the intended results (Thompson, and Strickland, 2003).

The Kenya Bureau of Standards (KEBS) has remained the premier government agency for the provision of Standards, Metrology and Conformity Assessment services since its inception. Over that period its main activities have grown from the development of standards and quality control for a limited number of locally made products in the nineteen seventies to more comprehensive Standards development, Metrology, Conformity Assessment, Training and Certification. With the re-establishment of the East African Community (EAC), KEBS activities now include participation in the development and implementation of SQMT activities at the regional level

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This strategic Plan was to assist the Kenya Bureau of Standards to achieve its goals and objectives more efficiently in the dynamic environment in which it operates, as well as meeting its obligations under the performance contracts with the Government. Its implementation led to restructuring and rationalization within KEBS to make its operation more efficient but the plan did not achieve the desired success. The most striking thing about the strategic plan it's more of gospel truth that never changes. It's

hardly revised to fit in the ever changing environment and this affects the implementation process.

Some of the targets set in the second strategic plan for 2008 – 2009 are yet to be achieved, others are farfetched dreams yet strategic plan is well crafted with objectives and indicators and strategic activities outlined. The question still stands; what could be wrong with the process of implementation and what challenges is KEBS facing. The most probable reasons are lack of involvement, failure to review the strategy to fit the ever changing environment, motivation and ownership of the strategic plan. Success in strategy formulation and implementation requires people in the organization to have a shared vision and shared value, Waruhiu (2004) and this could be one of the ingredients lacking in KEBS.

Of the studies done in the area of strategic management in general or on strategy implementation, none has focused on strategy implementation challenges at the Kenya Bureau of Standards. For instance, studies on strategy implementation are numerous and include Koske (2003) who did strategy implementation and its challenges in public corporation at Telkom Kenya Ltd and found that the company was not following its master plan which was attributable to poor leadership styles.

On the other hand, Ochanda (2005) did a study on challenges of strategy implementation at Kenya Industrial Estates Limited who found that policies, procedures and support

systems, the reward, and motivational structures, resource allocation and budgetary allocation continued posing a challenge to the successful implementation of the strategy. Gakenia (2008) did a study on strategy implementation in Kenya Commercial Bank and found that the issues in the McKinsey's 7-S model were guiding strategy implementation but both financial and human resources, management support and organization structures were the major challenges.

Githui (2006) did a study on challenges for strategy implementation in Barclays Bank Kenya Limited and found nine challenges for implementing strategies: the need to modernise the business, BBK's efficiency, improving the quality of BBK's products and services, building a high performance organisation, outperforming competition, the economic and political situation, the influence of foreign exchange rates, customers' expectations and demands from regulators. As can be seen from the above studies, there is a gap in literature as far as a study on Kenya Bureau of Standards is concerned. This is the gap the present study seeks to bridge by answering the following question: what challenges does KEBS face in implementing strategies formulated?

1.3 Research Objectives

The objectives of this study were:

- i. To evaluate the strategy implementation process at the Kenya Bureau of Standards.
- ii. To establish the strategy implementation challenges facing Kenya Bureau of Standards.

1.4 Value of the Study

This study will be useful to various groups: It will help management realize where they go wrong in the process of strategy implementation and in dealing with the challenges.

The management will use the recommendation to effectively implement strategies.

The study will add to the existing body of knowledge and provide researcher with an opportunity to enhance analytical, evaluative, and writing skills. Government will be able to know the challenges that the parastatal face and therefore come up with policies to enhance successful strategy formulation and implementation. It will also be of significance to the stakeholders, the respondents, customers, the employees and other parastatal.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents a literature review on issues of strategy implementation. The McKinsey 7-S framework is also presented as well as results of prior studies on strategy implementation challenges.

2.2 Concept of Strategy

Strategy means different things to different people. Strategy like any other concepts in the field of management does not have all embracing definition strategy is an elusive and somewhat abstract concept (Ansoff, 1994). This must be expected when dealing with an area that is constantly developing.

Strategy is about winning. It provides unity of purpose and direction to organization. Strategy can also act as a vehicle of communication and coordination within the organization (Grant, 1998). Johnson and Scholes (2002) define strategy as the direction and scope of an organization over the long-term: which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations". Strategies need to be well deprived since it determines the direction organization will move and level of performance.

According to Pearce and Robinson (1997), strategy enables the organization focus on their resources and efforts. This ensures that critical tasks are allocated adequate

resources strategy is a necessary ingredient for effective organization. The structure of the organization follows the strategy of that organization (Chandler, 1962). This interrelationship helps in matching the structure with organization.

According to Grant (1998) strategy is viewed as a vehicle for achieving three key managerial purposes: strategy as decision support, as a vehicle for coordination and communication and strategy as a target. As a decision support strategy establishes a set of guidelines and criteria of how individual decisions will be made. Strategy as a vehicle for coordination and communication helps achieve consistency in decision over time and across department and individuals with the organization. A key vehicle of communicating strategy is the mission statement a summary of the essence of the organization strategy and purpose.

Strategic management is the way in which an organization identifies its strategic direction and aligns its operational processes to its strategy. Strategic management process is thus an objective, logical and systematic approach for making major decisions in an organization. Montgomery and Porter (1991) state that, strategic management allows an organization to be proactive than reactive in initiating influencing and exerting control over its destiny; make better decisions enhance communication and involvement in process hence stakeholder commitment and empowerment.

The essence of strategy is to perform activities differently than rivals do; the creation of competitive advantage and also the creative destruction of the opponents advantage

(Porter, 1996). Strategic management offers benefits as enhance awareness of external threats, improved understanding of competitors strategies increased employee productivity, reduced resistance to change.

In choosing a strategy management is in effect saying, "Among all the many different business approaches and ways of competing we could have chosen, we have decided to employ this particular combination of competitive and operating approaches in among the company in the intended direction, strengthening its market position and competitiveness and boosting performance. A clear and reasoned strategy is management prescription for doing business, its road map to competitive advantages, and its game plan for pleasing customers and improving financial performance.

2.3 Concept of Strategy Implementation

Strategy implementation is the next logical step after strategy formulation. It implies translation of the chosen strategy into action. Strategy implementation requires a good strategic architecture of the organization and should therefore take into account how various parts of the organization work together in a manner that optimizes resource utilization (Johnson and Scholes, 2002).

Strategy implementation is a stage of strategic management that involves the use of managerial and organisational tools, direct resources towards achieving strategic outcomes. Successful competitors not only have superior market position, they execute effectively within these market positions overtime. Without effective execution, a

strategy is just an idea waiting to happen. Sometimes a firm's strategy emerges as events unfold, but ultimately execution requires ongoing, deliberate action to achieve the firm's economic targets. Strategy execution is about building the resources and capabilities that lead to competitive advantage through critical value and cost drivers (Pearce and Robinson, 2002).

Strategy implementation process is easily the most complicated the most and time consuming part of strategic management (Hrebiniak , 2005) must managers know a lot about strategy formulation. Successful strategy formulation does not guarantee successful strategy implementation. Strategy implementation although linked to strategy formulation is fundamentally different.

John and Scholes, (2002) observes that understanding the strategic position of organization and considering the strategic choices open to it are of little value unless the strategies manager wish to follow can be turned into organizational action plans. Although strategy implementation is seen as an integral part of strategic management process little has been written or researched on implementation challenges (Awino, 2001).

According to Aosa (1992) once strategies have been developed they need to be implemented they are of no value unless they are translated into action. However, poor implementation of an appropriate strategy may cause that strategy to fail (Kinuthi, 2001). An excellent implementation plan, will not only cause the success of an appropriate

strategy, but can also salvage on inappropriate strategy implementation is therefore crucial to effective management (Mc Cathy et al, 1996).

The implementation of strategy typically impacts every part of the organization structure, from the biggest organizational unit to the smallest frontline work group (Thomson and Strickland, 1998). They reckon that every manager has to think through the question what has to be done in my area to implement our strategic plan and what should I do to get these things accomplished? All managers therefore become strategic implementers in their area of authority and responsibility. Aaltonen and Ikavalko (2001) argue that transforming strategies into action is a far more complex and difficult task.

Implementation of strategy does not therefore automatically follow strategy formulation; if not managed well can invalidate the planning efforts (Ansoff and McDonnell, 1990). For successful strategy implementation an organization should understand the impact of strategy on external environment, internal resources and competencies, and expectations and influence of stakeholders (Johnson and Scholes, 2002). The organization exists in the context of a complex commercial, political, economic, social, technological environmental and legal world. This environment is not static and keeps changing and more organization than others (Thompson, 1997). For successful strategy implementation, it is important for the company to understand historical and environmental variables in which it operates (Johnson and Scholes, 2002).

2.4 McKinsey's 7-S Model

McKinsey's (1982) 7-S model describes the seven factors critical for effective strategy execution. The 7-S model identifies the seven factors as strategy, structure, systems, staff, skills, style/culture, and shared values. Strategy is the plan of action an organization prepares in response to, or anticipation of, changes in its external environment. Strategy is differentiated by tactics or operational actions by its nature of being premeditated, well thought through and often practically rehearsed. It deals with essentially three questions, (1) where the organization is at this moment in time, (2) where the organization wants to be in a particular length of time and (3) how to get there. Thus, strategy is designed to transform the firm from the present position to the new position described by objectives, subject to constraints of the capabilities or the potential (Kaplan, 2005).

Structure refers to the way in which tasks and people are specialized and divided, and authority is distributed; how activities and reporting relationships are grouped; the mechanisms by which activities in the organization are coordinated (Kaplan, 2005). Organisations are structured in a variety of ways, dependent on their objectives and culture. The structure of the company often dictates the way it operates and performs (Waterman et al., 1980).

Traditionally, the businesses have been structured in a hierarchical way with several divisions and departments, each responsible for a specific task such as human resources management, production or marketing. Many layers of management controlled the operations, with each answerable to the upper layer of management. Although this is still

the most widely used organizational structure, the recent trend is increasingly towards a flat structure where the work is done in teams of specialists rather than fixed departments. The idea is to make the organization more flexible and devolve the power by empowering the employees and eliminate the middle management layers (Boyle, 2007).

Systems refer to the formal and informal procedures used to manage the organization, including management control systems, performance measurement and reward systems, planning, budgeting and resource allocation systems, and management information systems (Kaplan, 2005). Every organization has some systems or internal processes to support and implement the strategy and run day-to-day affairs. These processes are normally strictly followed and are designed to achieve maximum effectiveness.

Traditionally, organizations have been following a bureaucratic-style process model where most decisions are taken at the higher management level and there are various and sometimes unnecessary requirements for a specific decision (e.g. procurement of daily use goods) to be taken. Increasingly, organizations are simplifying and modernizing their process by innovation and use of new technology to make the decision-making process quicker. Special emphasis is on the customers with the intention to make the processes that involve customers as user friendly as possible (Lynch, 2005).

Staff refers to the people, their backgrounds and competencies; how the organization recruits, selects, trains, socializes, manages the careers, and promotes employees (Kaplan, 2005). Organizations are made up of humans and it's the people who make the real

difference to the success of the organization in the increasingly knowledge-based society. The importance of human resources has thus got the central position in the strategy of the organization, away from the traditional model of capital and land.

All leading organizations such as IBM, Microsoft, Cisco, etc put extraordinary emphasis on hiring the best staff, providing them with rigorous training and mentoring support, and pushing their staff to limits in achieving professional excellence, and this forms the basis of these organizations strategy and competitive advantage over their competitors. It is also important for the organization to instill confidence among the employees about their future in the organization and future career growth as an incentive for hard work (Purcell and Boxal, 2003).

Skills refer to the distinctive competencies of the organization; what it does best along dimensions such as people, management practices, processes, systems, technology, and customer relationships (Kaplan, 2005). Style/culture refers to the leadership style of managers – how they spend their time, what they focus attention on, what questions they ask of employees, how they make decisions; also the organizational culture (the dominant values and beliefs, the norms, the conscious and unconscious symbolic acts taken by leaders (job titles, dress codes, executive dining rooms, corporate jets, informal meetings with employees) (Kaplan, 2005).

All organizations have their own distinct culture and management style. It includes the dominant values, beliefs and norms which develop over time and become relatively

enduring features of the organizational life. It also entails the way managers interact with the employees and the way they spend their time. Businesses have traditionally been influenced by the military style of management and culture where strict adherence to the upper management and procedures was expected from the lower-rank employees. However, there have been extensive efforts in the past couple of decades to change the culture to a more open, innovative and friendly environment with fewer hierarchies and smaller chain of command. Culture remains an important consideration in the implementation of any strategy in the organization (Martins and Terblanche, 2003).

Lastly, shared values refer to the core or fundamental set of values that are widely shared in the organization and serve as guiding principles of what is important; vision, mission, and values statements that provide a broad sense of purpose for all employees (Kaplan, 2005). All members of the organization share some common fundamental ideas or guiding concepts around which the business is built. This may be to make money or to achieve excellence in a particular field.

These values and common goals keep the employees working towards a common destination as a coherent team and are important to keep the team spirit alive. The organizations with weak values and common goals often find their employees following their own personal goals that may be different or even in conflict with those of the organization or their fellow colleagues (Martins and Terblanche, 2003).

The 7-S model posits that organizations are successful when they achieve an integrated harmony among three "hard" "S's" of strategy, structure, and systems, and four "soft"

“S's” of skills, staff, style, and super-ordinate goals (now referred to as shared values) (Kaplan, 2005). The hard components are the strategy, structure and systems which are normally feasible and easy to identify in an organization as they are normally well documented and seen in the form of tangible objects or reports such as strategy statements, corporate plans, organisational charts and other documents. The remaining four Ss, however, are more difficult to comprehend.

The capabilities, values and elements of corporate culture, for example, are continuously developing and are altered by the people at work in the organization. It is therefore only possible to understand these aspects by studying the organization very closely, normally through observations and/or through conducting interviews. Some linkages, however, can be made between the hard and soft components. For example, it is seen that a rigid, hierarchical organisational structure normally leads to a bureaucratic organisational culture where the power is centralized at the higher management level (Waterman et al., 1980).

2.5 Strategy Implementation Challenges

McKinsey 7s framework is a tool that can be used to understand the strategy implementation challenges. The framework suggest the manager should focus on six components to ensure effective implementation, notably structure, system, shared values (culture) skills, style and staff. These six components can be classified into four basic elements which manager can implement stage. These include structure, leadership, culture and system for rewarding performance as well as monitoring and controlling organizational action

Strategy implementation is quite critical since even the best strategy can fail if not well implemented. These are many organizations characteristics, which act to impede strategy execution (1996). Commitment of top management, involve middle manager's valuable knowledge, need for communication, integrative point of view, clear assignment of responsibilities, preventive measures against change barriers, emphasize teamwork activities respect for individuals different characters, take advantage of supportive implementation instruments and calculate offer time for unexpected incidents.

According to Hrebiniak (2005), part of the difficulty of execution is due to the obstacles or impediments to it. These include the longer time frames needed for execution: the need for involvement of many people in the execution process; poor or inadequate sharing of information; lack of understanding of organizational structure, including information sharing and coordination methods; unclear responsibility and accountability in the execution process; and an inability to manage change, including cultural change.

One of major problem experience in strategy implementation is lack of sufficient communication. Aaltonen and Ikavalko (2001) state that the amount of strategic communication in most of the organizations is large, both written and oral communication issued, mostly in form of top down communications. However a great amount of information does not guarantee understanding and there is still much to be done on the field of communicating strategies.

According to Wang (2000), communication should be a two way so that it can provide information to improve understanding and responsibility, and motivate staff. Also they argue that communication should not be seen as a once off activity focusing on announcing the strategy. It should be an on-going activity throughout the implementation process. In many cases it is not so and therefore communication still remains a challenge to strategy implementation process.

Rap (2005) points out that the most important thing when implementing a strategy is the top most management commitment to strategic direction itself. Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process. This demonstrable commitment becomes a positive signal for all the affected organization members.

Clear understanding of strategy is a prerequisite in strategy implementation. Clear understanding of a strategy gives purpose to the activities of each employee and allows them to link whatever task is at hand to the overall organizational direction (Byans et al, 1996). Lack of understanding of a strategy is one of the obstacles of strategy implementation (Aaltonen and Ikava, 2001). They point out that many organizational members typically recognize strategic issues as important and also understand their context in generic terms. However problem, in understanding arise when it comes to applying the strategic issues in the day-day decision making.

Cultural impact underestimation is yet another challenge to strategy implementation. The implementation of a strategy often encounter rough going because of deep-rooted cultural biases. It causes resistance to implementation of new strategies especially in organizations with defender cultures. This is because they see culture as threatening and tend to favour continuity and security (Wang, 2002). It is the strategy maker's responsibility to choose a strategy that is compatible with the "sacred or unchangeable parts of the prevailing corporate culture (Thomson and Strickland, 1989). This offers a strong challenge to strategy implementer's administrative leadership abilities.

Aosa (1992) revealed that lack of compatibility between strategy and culture can lead to high organizational resistance to change and demotivation which can in turn frustrate the strategy implementation. Culture may be factors that drive the strategy rather than the other way round (Karmi, 2002). If the existing culture is antagonistic to a proposed strategy, then it should be identified and changed to be supportive changing a firms culture to fit new strategy is usually more effective than changing a strategy to fit existing culture (David, 1997).

Resource insufficiency is another common strategy implementation challenge. David (2003) argues that allocating resources to particular divisions and department does not mean that strategies will be successful implemented. This is because a number of factors commonly prohibit effective resource allocation. These include, overprotection of resources, too great emphasis on short run financial criteria organizational policies, vague strategy targets, reluctant to take risks, and lack of sufficient knowledge (David 1997).

All organization at least have four types of resource which include physical resources, financial resources, human resources and technological resource Thompson, (1990).

Organizations often find it difficult to carry out their strategies because they have executive compensation system that measure and reward performance in a way that ignores or even frustrates strategic thinking, planning and actions MC Carthy et al, 1996). If strategy accomplishment is to be really top priority, then the reward structure must be linked explicitly and tightly to actual strategic performance (Thompson and Strickland, 1998).

Bryson (1995) asserts that, people must be adequately competent for their work. MC Carthy et al, (1996) argue that in many companies, much effort has been put in both strategy formulation and resource strategy formulation and resource allocation process as a way to improve implementation and unfortunately, effort have not been unfortunately, effort have not been wholly effective because the necessary measurement and rewards systems that completes they cycle is lacking.

Organizational politics unavoidable aspects, remain another key challenge in strategy implementation organization politics are tactics that strategic managers engage in to obtain and use power to influence organizational goods and change strategy and structure to further their own interest (Hill and Jones, 1999). Wang (2000) states that, it is important to overcome the resistance of powerful groups because they may regard the change caused by strategy as a threat to their own power.

Top level managers constantly come into conflict over what the correct policy decisions would be, and power struggles and coalition building is a major part of strategic decision making. According to them, the challenge organization face is that the internal structure of power always lags behind changes in the environment changes faster than the organization can respond.

2.6 Empirical Studies

Koske (2003) did a study on strategy implementation and its challenges in public corporation at Telkom Kenya Ltd. The objective of this study was to find out the extent of strategy implementation and also to identify challenges that the company had encountered during implementation. The research results obtained indicate that TKL formulated and documented its strategies in 1999. In its first four years the execution of these strategies has been average. It is evident from the results that the company has not been referring to its master plan whenever they embark on development programmes. It is clear that government control and lack of funds has interfered with the company's strategy implementation scheme. Poor leadership style, limited IT capacity and poor corporate culture are the main challenges faced by the company in the process of strategy implementation.

Gakenia (2008) did a study on strategy implementation in Kenya Commercial Bank. The primary data was collected using interview guide. The interviewees were the head of strategy and functional heads in charge of finance, risk management, information technology and operations, human resources, marketing and research division, and public

affairs and communication division. Data was analyzed qualitatively using content analysis. Using the 7-S framework, the study found that strategy implementation process at KCB follows the basic requirements for a successful strategy implementation. The staff, strategy, structure, systems, style, skills and the shared values of the bank has been instrumental in enabling the success of strategy implementation process. The study concludes that there are three factors that have greatly influenced strategy implementation process at KCB. These factors are resources (both financial and human resources), management support and the organization structure.

Achoki (2010) did a study on strategy implementation in ministry of state for provincial administration and internal security. The primary data was collected using self administered interview guide. The objective of the study was to determine the factors influencing strategy implementation in the ministry of state for provincial administration and internal security and found out the challenges facing strategy implementation. The results revealed several challenges which include inadequate and limited resource allocation, conflict of interest, bureaucracy, untimely communication, political interference and staff and public resistance to change. The study concludes that effective implementation requires adequate and sufficient resource allocation, timely communication, minimum bureaucracy and separation of political and public service.

Ochanda (2005) did a study on challenges of strategy implementation at Kenya Industries Limited. The objective of this study was to determine strategy implementation challenges at Kenya Industrial Estates Limited. The research was conducted through a case study.

In-depth interviews were conducted with the board members, top-level managers, the middle level managers and the shop floor employees with the help of an interview guide. A conceptual and qualitative content analysis was the best-suited method for data analysis. The study found that in the recent past, Kenya Industrial Estates Limited has formulated and implemented two (2) 5-years strategic plans being the years 1996-2001, and the years 2003-2008 strategic plans. During the implementation of the years 1996-2001 strategic plan focus was on cost cutting. The organisation, however, continued performing dismally. In the implementation of the years' 2003-2008 strategic plan, out of the strategy critical aspects of the organisation, the organisation was only able to align its structure, culture and leadership to its strategy.

Policies, procedures and support systems, the reward, and motivational structures, resource allocation and budgetary allocation continued posing a challenge to the successful implementation of the strategy. Similarly, the importance of communication of responsibility and accountability, with regard to the strategic plans, was overlooked. The organization continued in its poor performance. The strategy implementation challenges experienced by the organization were enhanced by both restrictive regulations and policies under which state corporations operate. The organization had no control over these policies and regulations Kenya Industrial Estates Limited like any other state corporation operates in a complex environment, which is more unpredictable and less stable.

This notwithstanding, it is expected to emulate the private sector, and operate competitively. However, state corporations do not operate as freely as the private enterprises. The state corporations' objectives fluctuate in their order of priority depending on the restrictions and the changes in the governing regulations, and the changes in the broader policies formulated by the Government. This situation places Kenya Industrial Estates Limited in a very awkward position in that, it is unable to operate commercially and reflect profits.

Githui (2006) did a study on challenges for strategy implementation in Barclays Bank Kenya Limited. The two objectives of the study were to identify strategy implementation processes within BBK and establishing and documenting the challenges for implementing strategies within BBK. In order to meet these objectives, primary and secondary data was collected. Primary data was obtained through personal interviews of respondents who were responsible for implementing strategies in BBK. Secondary data was obtained from various sources. The study established that a change committee had been set up, alongside the strategic committee to teach the elephant how to dance because BBK ran the risk of slowly turning from an eagle into an elephant.

Nine challenges for implementing strategies were identified and these were the need to modernise the business, BBK's efficiency, improving the quality of BBK's products and services, building a high performance organisation, outperforming competition, the economic and political situation, the influence of foreign exchange rates, customers' expectations and demands from regulators. The processes of implementing strategies in

BBK were found during the study to be quite effective measured by the financial performance as reported in the annual financial reports.

To increase the efficiency of employees, the end-to-end management team was found during the study to improve processes so that employees spent more time on service to customers and less time correcting mistakes. The team was formed to understand what goes on in the business. The team worked with staff in service delivery and other functions to design ways to map processes step by step, identifying where and why they break down and finding ways to fix them. All the processes were designed to help the business get closer to its customers. Barclays Bank Kenya Limited had found that the one-size-fit-all philosophy of the past could no longer work in sustaining a business.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology which was used in the study. The research design is discussed followed by the data collection method and tools as well as data analysis technique which was employed in the study.

3.2 Research Design

The study employed a case study design. The design is chosen because the objective of the study requires an in-depth understanding of the process of strategy implementation and its challenges at KEBS. A case study is an in-depth investigation of an individual, group, institution or phenomenon, Mugenda and Mugenda (2003). Robinson (2002) defines "case study as a strategy of doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence. A case study is a very powerful form of qualitative analysis that drills down than casts wide (Kothari, 1990).

3.3 Data Collection

In this study, emphasis was given to primary data. The primary data was collected using interview guide attached as appendix 1. An interview guide is a set of questions that the interviewer asks when interviewing (Mugenda and Mugenda, 2003). It made it possible to obtain data required to meet specific objectives of the study. The interviewees were 7, the functional heads in the organization. That is director testing, quality assurance and standards and chief managers

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3.4 Data Analysis

The data was analysed using qualitative analysis. Qualitative data analysis seeks to make general statements on how categories or themes of data are related (Mugenda and Mugenda, 2003). The qualitative analysis ~~will be done~~ using content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Mugenda and Mugenda, 2003). It involves observation and detailed description of objects, items or things that comprise the object of study.

The themes (variables) that were used in the analysis were broadly classified into two: strategy implementation process and factors influencing strategy implementation. The McKinsey's 7-S model was used as a guide on the themes of analysis as concerns the strategy implementation challenges.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the results of the analysis. The study intended to achieve two objectives to evaluate the strategy implementation process at KEBS and establish the strategy challenges facing it. Interviews were conducted with seven managers in the organization. One on one interview was conducted with managers between 6th to 12th September 2011 in their offices at time chosen by the chief managers and directors. The results were presented as per the objectives.

4.2 General Information

This section presents the results of the analysis on the demographic characteristics of the respondents in terms of their Age, gender, department and experience in the organization. Seven respondents were interviewed, four were male and three were female. This reflects the actual representation of the managers specifically in Kenya Bureau of Standards. The study found out that two of the senior managers were aged between 40-50years while the others were above 50 years old. This shows that most of the senior managers are aged above 50 years.

The results of the study revealed that, two of the senior managers have worked in the organization for 20-25 years while the others have worked for over 30 years. This analysis was done to show the experience of the senior managers in the organization. Thus the respondents had vast experience to respond appropriately to strategy implementation tools. Of the respondents interviewed, two were from testing and

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metrology division, two from standards development division, one from quality assurance and inspection division, one from national training institute while the other was from support services division.

4.3 Strategy Implementation Process

This section presents the results on the analysis of strategy implementation process in Kenya Bureau of Standards. The strategic plan of KEBS for the period 2007 – 2012 is expected to drive and maintain the momentum for quality production, innovation and industrial development into the future. This analysis was done to evaluate the process of strategy implementation in Kenya Bureau of Standards.

The study sought to find out whether KEBS has a strategic plan. From the findings, all the respondents indicated that KEBS has a strategic plan. They pointed out that, the plan seeks to deepen the use of strategic planning as a management tool at KEBS by ensuring the participation of its council and management staff in developing it and its implementation scheme.

One of the interviewees added that, the 2007-2012 strategic plan is anchored on divisional/departmental plans in a more synchronized manner. He further explained that, KEBS' ability to achieving its plan objectives depends on the following key success factors, namely, effective information and knowledge management; capacity to attract and retain high caliber staff; dynamic and proactive leadership, customer orientation, sufficient and well equipped laboratories. The results show that KEBS has a strategic plan in place.

The study sought to find out how KEBS goes about implementing chosen strategy. From the findings, all interviewees indicated that it is done through implementation scheme that outlines the strategic activities to be undertaken at each given period by the various departments. They explained that the plan outlines responsibilities of each function, how the resources will be allocated and how progress will be monitored.

The interviewees pointed out that strategy implementation is the effective direction, use and control of organization resources in order to achieve the desired success and this is what the implementation scheme seeks to achieve. They pointed out that KEBS has adopted balanced score card as a tool to evaluate strategy implementation process. Although it provides a functionality to translate a company strategic objectives into a coherent set of performance measures KEBS is yet to achieve the desired success. The results show that KEBS has an implementation scheme.

The study sought to find out whether annual work plans support strategy implementation. From the findings, majority indicated that annual work plans supported strategy implementation. The annual work plans are derived from the goals of each department and evaluated at end of each year. They pointed out that employees work towards actualizing their plans, although inadequate resources frustrate their efforts. The work plans aid in implementing the strategy since they act as short term goals aimed at achieving the long term goals.

4.4 Strategy Implementation Challenges at KEBS

The researcher used the 7's model to evaluate strategy implementation challenges. The challenges can be internal or external to the organization. The challenges faced depend on prevailing circumstances, type of organization and strategy.

4.4.1 Introduction

The study established that despite KEBS having a well formulated strategic plan, the process of implementing the plan is faced by several hurdles. This section seeks to discuss the challenges faced by KEBS as per the study.

4.4.2 Failure to Revise Strategic Plan

The study sought to find out whether there has been any measure taken to revise and improve the current corporate strategy. From the findings, majority indicated that no measure has been taken to revise it. This clearly indicates that, there are no measures undertaken to improve corporate strategy at KEBS. The interviewees pointed out that KEBS strategic plan is set to move the organization from a vertically integrated system to increasingly autonomous institutions that are adequately equipped in terms of management practices, resources and facilities to provide pertinent services nationally, regionally, and at the international level. This is yet to be achieved since the plan is not revised to cope with the ever changing environment.

4.4.3 Incompatible organizational culture “style”

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4.4.3 Incompatible organizational culture “style”

The study sought to find out whether the organizational culture supports strategy implementation. The results revealed that organizational culture supports strategy

implementation to some extent. Some aspects of the culture however, promote negative attitude amongst some staff towards their development. The culture at KEBS is limited by the way managers and employees interact and relate with each other. There is a strong peer pressure from staff and this is noted mainly in staffs who have served for long time who insists on doing things the way they have always done rather than accommodating change.

The study shows that, a bigger portion of employees are in comfort zone and fight harder to maintain status quo majority being those who have served long in the organization. The study indicated that, there is weak strategic leadership support to strategy implementation. The results indicate that, the existing organizational culture is not compatible with the current strategic plan.

4.4.4 Inappropriate Structure

The study sought to find out whether organization structure supports implementation of strategic initiative. From the findings, majority of respondents felt that, the current structure does not support strategy implementation. They pointed that, KEBS organizational structure was identified during the preparation of the 2003/4-2007/8 strategic plan as a major bottleneck to effective performance. It has also been identified at various times as a source of low staff motivation as well as ineffective staff development. To improve the situation the NSC and management have, over the years, made a number of structural changes which include implementation of some recommendations of a 2003 staff rationalization study. The challenge is that, the rationalization of the organization

structure has not been consistently implemented. Thus, the structure still needs further refinement to make it more responsive to the needs of KEBS as a technical institution. The implemented results reveal that current organizational structure does not match the strategic plan in place.

4.4.5 Inadequate Organizational Systems

4.4.5.1 Poor internal communication

The study sought to find out whether communication system was supportive of strategy implementation. From the findings, majority of respondents indicated that communication to the staff was enhanced through meetings. It is also incorporated through the cascading of all targets through performance contract and balanced score card. However, the respondents were keen to point out that the major challenge was Poor internal communication on strategic issue which has often opened room for speculations and rumors in the organization. The insufficient communication about the strategy has hindered smooth implementation since the purpose of activities imposed on officers is not given and hence they cannot link whatever task is at hand to the overall organization direction. This slows down the implementation process and breeds resistance to change.

4.4.5.2 Resources insufficiency

The study sought to find out whether KEBS have financial capacity to implement strategies formulated. From the findings majority of the respondents indicated that KEBS does not have financial capacity to support strategy implementation. They explained that traditionally, KEBS internally generated funding comes mainly from the standards levy

and quality import inspection fees. This accounts for about ninety (90) percent of the total revenue. Other sources of revenue include calibration, testing, certification and accreditation fees, sale of standards, income from investments and training/consultancy charges; which account for about ten percent (10%).

The 90% reliance on two sources of income exposes KEBS to severe financial limitation in the event that the sources are interfered with. The import inspection levy may be unreliable in the long run, if the provision of import inspection services is subjected to open tender processes because there is no guarantee that KEBS will always be the best evaluated tenderer. This poses a challenges to strategy implementation and this explains why most targets, set in the strategic plan are not actualized.

4.4.5.3 Unsound reward system

The study sought to find out whether employeecs are motivated in supporting strategic initiatives. From the findings, majority of respondents indicated that the staff was not motivated to support strategic initiatives. KEBS has an ineffective performance management system which has contributed to demotivation of staff. The results indicated that there is low staff commitment and morale which can be associated with poor harmonization of the reward structure. There was indication that staff matters and interests are neglected thus frustrating them. The respondents pointed out that, the low morale has led to exodus of the well trained staff who are critical for organizations' success. The results reveal that, the staffs are not motivated to support the strategic initiatives.

4.4.5.4 Inadequate Organizational Policies

The study sought to finding out how current policies are relevant to current activities. From the findings, majority of the interviewees indicated some of the policies were relevant but others were not supportive of strategy implementation. The respondents pointed out that KEBS lacks clear policies to address growing competition from emerging quality management, testing and certification organizations. The public procurement and disposal act were singled out as major hindrance to strategy implementation. This has delayed setting up of new set of Laboratories and equipment enhancing Non-Destructive Testing (NDT) capability using x-ray radiography and ultra-sonic test techniques due to length procurement process. The interviewees also pointed out that KEBS has inadequate human resource policies. For instance KEBS lacks policy on career development and this demoralizes the employees. The results indicate that some policies are relevant while others frustrate strategy implementation effort.

4.4.6 Inadequate Technical Staff

The study sought to establish whether the available human resource were capable of managing and implementing new strategic direction. From the findings, majority indicated that the available human resource is not capable. The interviewees pointed out that KEBS has inadequate trained technical personnel. KEBS does not have enough trained technical personnel to provide technical advice to industry on installation and improvement of quality goods and services, to facilitate efficient implementation of standards, training on ISO management systems and offering product and systems certification services. KEBS needs to develop the necessary technical and human

resources capacity to address its past weaknesses as well as its threats to meet the growing demands for standardization and quality assurance services. They further pointed out that the current talent base and skill cannot actualize the current strategic plan.

4.4.7 Inadequate Skills

The study sought to establish whether existing technical knowhow was supportive of strategy implementation. From the findings majority felt that, the existing technical knowhow is inadequate and cannot fully support the current strategic plan. The current technical base available cannot meet the KEBS core functions of enhancing the development and promotion of quality standards for industrial products; facilitating and promoting the standardization and conformity assessment activities; promoting fair trade practices and consumer protection. The analysis shows that existing technical knowhow cannot match KEBS core functions. One of the respondents noted that training projections done by human resource frustrates effort to bridge the skills gap. The interviewees felt that lack of training commitment on the part of management frustrates strategy implementation process.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings of the study and also gives the conclusion and recommendations of the research based on the objectives of the study.

5.2 Summary of the findings

Strategy implementation is concerned with planning how the chosen strategy would be put into action and effective management of both deliberate and emergent changes. The strategy implementation process is easily the most complicated and time consuming part of strategic management and it's often hit with numerous challenges. The objectives of the study were to evaluate the process of strategy implementation and establish the strategy implementation challenges facing KEBS. The findings were consistent with Koskci (2003), Ochanda (2005) and Gakenia (2008).

5.2.1 Strategy Implementation Process

The first objective was to evaluate the strategy implementation process at KEBS. In order to achieve this objective, interviewer used interview guide with a list of questions aimed at evaluating implementation process.

The findings of study indicated, that KEBS has a strategic plan which seeks to deepen the use of strategic planning as a management tool at KEBS by ensuring the participation of its council and management staff in developing the Plan. The plan is not revised but the performance contract which is anchored on strategic plan is reviewed yearly.

The results of the study revealed that KEBS employs implementation scheme to actualize its strategic plan. The implementation process is evaluated using balanced score card which is yet to achieve the desired success

The interviewees pointed out that KEBS have annual work plans which support strategy implementation process. The hurdle faced by the employees in executing the work plans is inadequate resources.

5.2.2 Strategy Implementation Challenges

The second objective was to establish the strategy implementation challenges faced by KEBS. To achieve these objectives interviewer used interview guide that listed strategy implementation challenges, identified in the literature review. The aim was to establish challenges that faced KEBS specifically.

The findings indicated that less adaptive culture has posed a great challenge to strategy implementation process of 2007 – 2012 strategic plan. Lack of team spirit and reluctance to embrace change has frustrated the effort of strategy implementation in KEBS. It was noted that the issue of culture has not been addressed and this remains a major challenge to achieving the strategic objectives. The strategic leadership is weak to support strategy implementation.

The results indicated that, inadequate resources are a major hindrance to strategy implementation. The findings revealed that, KEBS internally generated funding comes

mainly from the standards levy and quality import inspection fees. This accounts for about ninety (90) percent of the total revenue. The 90% reliance on two sources of income exposes KEBS to severe financial limitation. This affects its capability to support strategy implementation.

Unsound rewarding system was identified as the cause of demotivated staff. The study revealed that organization performance measurement and reward system were not linked to strategy. The staff interests and concerns are often ignored and this demoralizes them.

The study indicated that the current human resource is not capable of managing and implementing new strategic direction. The study revealed that this problem has not been addressed appropriately hence major impediment to strategy implementation.

Findings indicated, some of the policies were relevant but others were not supportive of strategy implementation process. Public procurement policy and inadequate human resource policy were cited as major challenges to strategy implementation.

The study indicated there was a mismatch between structure and strategy. Findings revealed that, KEBS organizational structure was identified during the preparation of the 2003/4-2007/8 strategic plan as a major bottleneck to effective performance. It has also been identified at various times as a source of low staff motivation as well as ineffective staff development. However the structure still needs further refinement to make it more responsive to the needs of KEBS as a technical institution.

The findings revealed that poor internal communication about the strategy has hindered smooth implementation. Thus the purpose of activities imposed on officers is not given hence; they cannot link whatever task is at hand to the overall organization direction. This slows down the implementation process and breeds resistance to change.

From the findings majority felt that technical knowhow is inadequate and cannot fully support the current strategic plan. The interviewees felt that lack of training commitment on the part of management frustrate the effort to bridge the skills gap.

5.3 Conclusion

In conclusion based on the above findings, KEBS like other institutions has a strategic plan. KEBS implementation process is good although exposed to several challenges which include poor internal communication, unsound reward system, mismatch between strategy and organizational structure, incompatible culture, resources insufficiency, failure to revise strategic plan, and inadequate technical staff and inappropriate policies. These challenges affect the long term direction of the firm to an extent of failing to achieve the strategies objectives.

5.4 Recommendations of the Study

The findings of the study revealed the challenges encountered during strategy implementation frustrate the implementation team. It is therefore recommended that KEBS management should look into strategy implementation issues with focus being to empower and strengthen the implementation team.

The study recommends that management should work toward effective communication to ensure that strategic issues are communicated at the right time to achieve the strategic goals. The study also recommends that corporate strategy should be realigned with structure for effective implementation of strategy. This could be achieved through undertaking a skill gap analysis to place people at right jobs.

The study recommends that culture and strategy should be compatible to achieve high performance. It recommends adaptive culture characterized by the willingness on the part of organizational members to accept change and take on the challenge of introducing and executing new strategies.

The study also recommends that KEBS need to institute HR management policies that will attract and retain staff with key competencies. This will ensure that KEBS does not lose its staff to its competitors. The study recommends that KEBS should select people for key position and put a strong management team with right personal chemistry and mix of skills as one of the first strategy implementation steps. This will help KEBS assemble a capable team to execute the strategy.

The study also recommends that KEBS should diversify its revenue collection into new areas to ensure adequate resources are available to support new strategies. Proper planning and budgetary allocation should be put in place to enhance efficiency and effectiveness in the implementation process.

The study recommends that KEBS remuneration should be tied to performance and also be linked to the strategic plan. This would motivate the staff to work towards strategy implementation. Incentives such as salary raises, fringe benefits, promotion, praise, recognition, increased job autonomy among others can encourage managers and employees to push hard for successful strategic implementation

KEBS should match the strategy with structure by making strategic critical activities and the organizational units the main building blocks. To fit structure to strategy, there is need to point out key functions and tasks necessary for successful strategy execution provide coordination among various organizational units, groups' activities into organization units; and determine the degree of authority to give to each unit.

5.5 Recommendation for Further Study

The study investigated challenges facing strategy implementation at KEBS. Further research should be undertaken in similar parastatals to find out challenges facing strategy implementation to help the government minimize the challenges for efficient operation.

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APPENDICES

Appendix 1: Letter of introduction



UNIVERSITY OF NAIROBI SCHOOL OF BUSINESS MBA PROGRAMME

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

DATE 09/09/2011

TO WHOM IT MAY CONCERN

The bearer of this letter CATHERINE MURINDA NJUJA
Registration No B61/71083/2008

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

DR. W.N. IRAKI
CO-ORDINATOR, MBA PROGRAM

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Appendix 3: Interview Guide

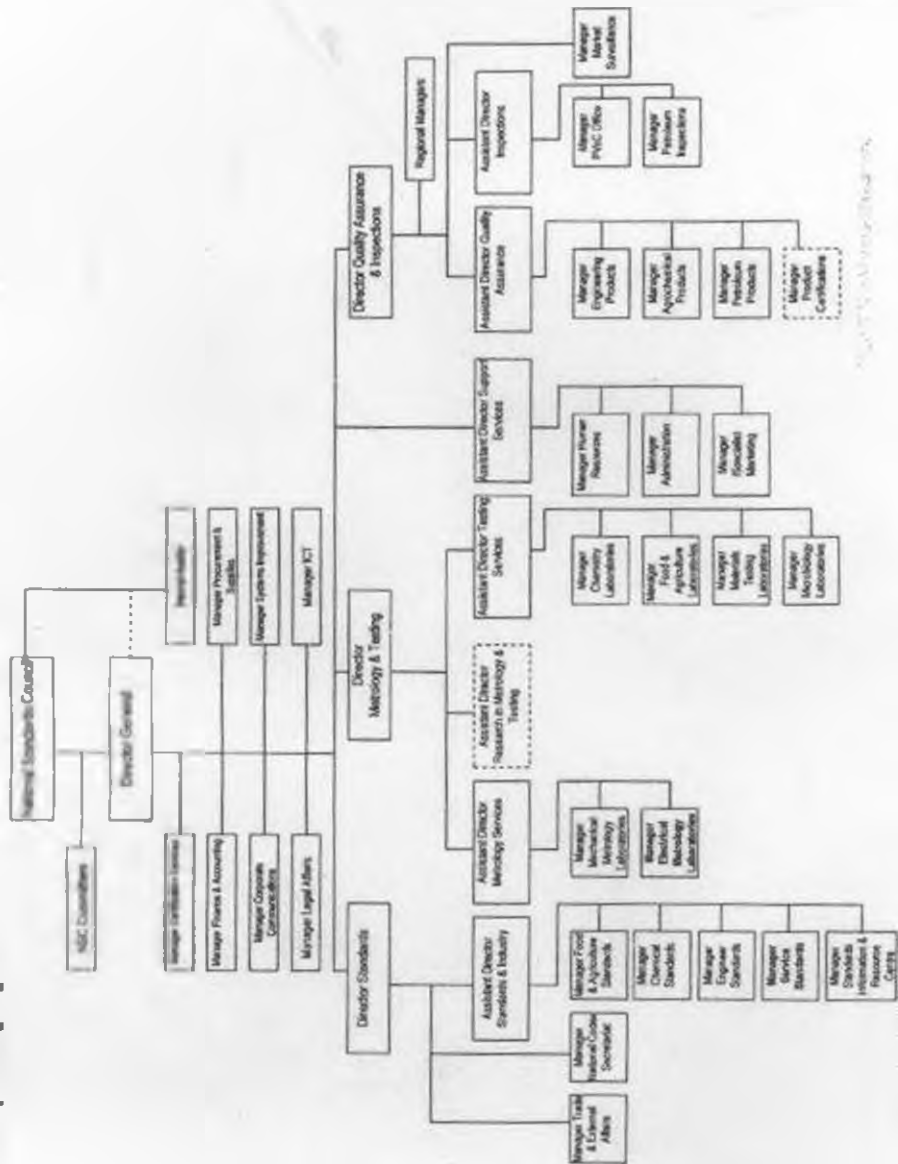
1. a) Age.....
- b) Gender.....
- c) Department.....
- d) Length of service at KEBS.....
2. Does KEBS strategic plan exist?
3. How often does KEBS review its strategic plan?
4. How does KEBS go about implementing the chosen strategies?
5. How relevant are the organization's policies to current activities?
6. How are the following supportive of strategy implementation?
 - i) Communication system
 - ii) Performance measurement and reward structures
 - iii) Existing technical knowhow
 - iv) Annual work plans
7. Does KEBS have the financial capacity to implement strategies formulated?

Please elaborate
8. How appropriate is the current organization structure to support the implementation of strategic initiatives

9. Does the current organizational culture support strategy implementation?
10. How capable is the available human resource in managing and implementing new strategic direction.
11. Are the available resources capable of supporting the current strategic plan?

Appendix 4: Organizational Structure

6.3. Proposed Organogram



NSC Strategic Plan 2011-2012