

**CHALLENGES OF STRATEGY IMPLEMENTATION IN
GOVERNMENT OWNED PARASTATALS IN THE
AGRICULTURAL SECTOR IN KENYA**

BY

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL
FULLFILLMENT OF THE REQUIREMENT FOR THE AWARD OF
THE DEGREE OF MASTER OF BUSINESS ADMINSTATION,
SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

NOVEMBER 2013

DECLARATION

DECLARATION BY THE STUDENT

This research project is my original work and has not been submitted to any other examination body. No part of this research should be reproduced without my consent or that of the University of Nairobi.

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ACKNOWLEDGEMENTS

I would like to thank the almighty God whom without his mercies, I would not have come this far in my quest for education. To the school of business, University of Nairobi; I thank you for all you did for me in my pursuit for the master of business administration course in strategic management. My special thanks and appreciation go to my supervisor Dr. Zachary B. Awino, for his patience, guidance and constant contribution throughout this research project.

I would also like to appreciate and thank the head of parastatals within the agricultural sector in Kenya, Mr Mwaniki for facilitating my data collection and also the top management of these parastatals for granting me an opportunity to conduct this research in their organizations. Special gratitude goes to the respondents who spared their valuable time out of their tight schedules to accommodate and support my research initiative.

Moreover, to my fellow classmates and colleagues, particularly, my discussion group members: Ms. Joyline Ngetich, Ms. Lenah Machoka, Mr. Hillary Chelimo and Mr. Job Maore, Mr. Charles Masson for their support and idea contribution in enabling me accomplish the task of compiling this research project.

Finally, I owe my loving family thanks for their support and encouragement while writing this research project and throughout my academic and professional life.

Thank you all.

DEDICATION

This research project report is dedicated to my dear mother Mrs. Norah Agui and father Mr. Julias Agui and my beloved wife Mrs. Irene C. Maiyo. Thank you all for your tireless and unconditional efforts throughout my education and more particularly in coming up with this research project through your moral, psychological and financial support.

To my siblings and friends, I make my special dedication for being there with me when I needed you morally, academically, financially and spiritually. May the almighty God bless and grant you his eternal mercies and showers of glory always.

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ABSTRACT

The environment in which organizations operate in the current business world is dynamic and affects both the private and the public sector players. The constant changes in the business and operation environment require organizations to continuously adapt so as to address the challenges as they arise. This management research study focused on the challenges of strategy implementation in the Parastatals within the Agricultural sector in Kenya and determined the measures taken by these Parastatals to address such challenges. To achieve the study objectives a cross sectional study design was adopted where primary data was collected through a questionnaire administered to the senior managers in the Parastatals within the Agricultural sector in Kenya and secondary data from availed organizational documents and library sources. The respondents indicated that the major challenges of strategy implementation encountered by Parastatals were in compatible organizational structure, resources constraint, and commitment of top management, external factors, technological advancements, management style, and location of the Parastatals to the markets, teamwork and non adaptive organizational culture. The measures taken to address these challenges include; organizational learning, two-way communication, internal business processes, resource provision, customer focus, financial controls, setting up policies, creation of horizontal structure, focused leadership and culture- strategy alignment. The findings of the study are consistent with other earlier studies on the related topics and serve to show that strategy implementation is indeed a challenging and dynamic activity. The study recommends alignment of the organization structure to strategic plan to ensure the achievement of financial stability, human resource satisfaction, customer focus and overall enhanced profitability. In this regard therefore, there is need for other research studies to be done emphasizing on the Parastatals within other sectors so as to ensure comparative analysis and generalization of the findings of the Kenyan and external Parastatals and establish a benchmark for performance targets and strategic goals' realization through implementations.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The ability to implement a formulated strategy is an important source of competitive advantage. Peters and Waterman (1982) while working at Mckinsey developed McKinsey's 7S- framework, which laid the foundation for a wide range of similar concepts. It identified seven factors that are essential for strategy implementation namely: strategy, skills, shared values, structure, systems, staff and style. The framework is based on the assumption that a change in strategy will require a change in the organization's skills and shared values and this in turn will determine the requirements for the remaining factors. Higgins (2005) then worked on McKinsey's 7S model, to formulate the Higgins' 8S Model which postulated that executives must align the cross functional factors of structure, systems and processes, leadership style, staff, resources and shared values with each new strategy that arises in order for that strategy to succeed and for strategic performance to occur. (Snow and Hambrick, 1980; Pitts and Hopkins, 1982) attempted to offer guidelines for selecting among available alternatives the conceptual and theoretical diversity reflected in the variety of approaches to the operationalization of strategy.

According to Whittington, (2001), systemic strategy views the organization as an open system, taking inputs from society as well as impacting it. This theory is founded on altering environmental factors and circumstances, which impact on how managers can devise strategic paths for their organizations. Chandler (1962) showed that a long-term coordinated strategy was necessary to give a company structure, direction and focus. Selznick (1957) formalized the idea of matching the organization's internal factors with

external environmental circumstances. This core idea was developed into what we now call Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis Andrews (1971). Strengths and weaknesses of the firm are assessed in light of the opportunities and threats in the business environment. Ansoff (1965) developed a grid that compared strategies for market penetration, product development, market development and horizontal and vertical integration and diversification. Porter (1985) argued that strategy target either cost leadership, differentiation, or focus.

The Parastatals under the Agriculture sector are mandated to promote various agricultural activities in the country on behalf of the government, including: to promote sound agricultural research, technology generation and dissemination to ensure food security through improved productivity and environmental conservation, to promote, coordinate, monitor, regulate and direct the Agriculture sector in Kenya, promotion of agricultural development, the development and dissemination of technology and information needed for increased productivity and sustainability of the sector in Kenya. The absence of the monitoring and effective execution these Agricultural sector activities lead to ineffective strategy implementation, (Republic of Kenya, Executive Order No. 2/2013). To enhance the essential factors for strategy implementation strategy, skills, shared values, structure, systems, staff and style; the Parastatals work on the assumption of a change in strategy that require a change in the organization's skills and shared values, (Peters and Waterman, 1982).

1.1.1 Strategy Implementation

Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve objectives. The environmental conditions facing many firms have changed rapidly. The current global competitive environment is complex, dynamic, and largely unpredictable (Porter, 1985). Strategic management is about managing the future, and effective strategy formulation is crucial, as it directs the attention and actions of an organization, (Olson et al. 2005).

In the past ten 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. Historically, numerous researchers in strategic management bestowed great significance to the strategic formulation process and considered strategy implementation as a mere by-product of planning (Wind and Robertson, 2003). Generalizations have been advanced in the form of encouraging early involvement in the strategy process by firm members (Hambrick and Cannella, 2009) through adaptation and adjustment, leadership style and structure (Bourgeois and Brodwin, 2004).

1.1.2 Challenges of Strategy Implementation

The major 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.

Management spends most of its attention on strategy formulation. Research emphasizing strategy implementation is classified (Bourgeois and Brodwin, 2004) as part of a first wave of studies proposing structural views as important facilitators for strategy implementation success.

Inadequate funding and untimely disbursement of resources is a hindrance to the effective implementation of strategies in the Agricultural sector. More so, staff resistance to change and lack of skills affect the implementation of strategies by the organizations. The management's commitment to the implementation of strategies in the organizations minimizes the strategy implementation challenges frequently experienced by the organizations. The practicing of proper change management in the organizations minimizes staff resistance to change. Inadequate employee skills hinder effective strategy implementation, (Muli, 2008).

Parastatals have been very instrumental in service delivery in the country. They have contributed immensely to the economic growth by effectively participating in service delivery. Despite the success of this strategy, no known study has been done to explore how the process of strategy implementation has been carried out in the Parastatals in such areas as employee motivation, stakeholder involvement; commitment of the top level managers; free flow, transparent communication and teamwork, (Judson, 1991).

1.1.3 Agricultural Sector in Kenya

Agriculture remains the backbone of the Kenyan economy. Over 80% of the Kenyan population live in the rural areas and derive their livelihoods, directly or indirectly from agriculture, (Republic of Kenya, 2005). The importance of the sector in the economy is

reflected in the relationship between its performance and that of the key indicators like GDP and employment. Agricultural policy in Kenya revolves around the main goals of increasing productivity and income growth, especially for smallholders; enhanced food security and equity, emphasis on irrigation to introduce stability in agricultural output, commercialization and intensification of production especially among small scale farmers; appropriate and participatory policy formulation and environmental sustainability, (Ministry of Livestock and Fisheries Development 2006).

The key issues of concern to mediocre strategy implementation in the agriculture sector, therefore, include: increasing agricultural productivity and incomes through staff effective pay for outputs, especially for small-holder farmers. Emphasis on irrigation to reduce over-reliance on rain-fed agriculture in the face of limited high potential agricultural land; encouraging diversification into value addition to reduce vulnerability, enhancing the food security and a reduction in the number of those suffering from hunger and hence the achievement of Millennium Development Goals (MDGs) and through encouraging private-sector-led development of the sector and ensuring environmental sustainability, (UNDP 2002).

1.1.4 Parastatals in the Agricultural Sector in Kenya

The forty Parastatals within the Agriculture sector, Appendix II, are mandated to promote various agricultural activities in the county, on behalf of the government, including; to regulate the importation and exportation, manufacture, distribution and use of pest control product, promote sound agricultural research, technology generation and dissemination to ensure food security through improved productivity and environmental conservation, (Republic of Kenya, Executive Order No. 2/2013).

Moreover, they promote, coordinate, monitor, promotion of agricultural development, the development and dissemination of technology and information needed for increased productivity, profitability and sustainability of the sugar industry in Kenya, serving international clientele of distributors, manufacturers and ultimate consumers of end-use products, to carry out focused research, promote and facilitate production of high yielding, better quality certified seed to farmers and stakeholders, to enhance food self-sufficiency which is an indicator of the quality of people's lives and a condition for sustainable economic prosperity, (Republic of Kenya, Executive Order No. 2/2013).

1.2 Research Problem

Corboy and O'Corrbui (1999), identify the challenges of strategy implementation which involve: a lack of understanding of how the strategy should be implemented; customers and staff not fully appreciating the strategy; unclear individual responsibilities in change process; difficulties and obstacles unacknowledged, recognized or acted upon; and ignoring the day-to-day business imperatives. Overall though, it is increasingly acknowledged that the traditionally recognized problems of inappropriate organisational structure and lack of top management backing are not the main inhibiting factors to effective strategy implementation (Aaltonen and Ikavalko, 2002).

In most Parastatals within the Agricultural sector in Kenya power struggles between departments and within hierarchies are common; one should create a plan with clear assignments of responsibilities regarding detailed implementation activities. Since CEOs are on contract employment, implementing a strategy requires their commitment to the strategic direction itself. This is undoubtedly a prerequisite for strategy implementation. The need for top managers to demonstrate their willingness to give energy and loyalty to

the implementation process is therefore, vital. This demonstrable commitment becomes, at the same time, a positive signal for all the affected organizational members, (Bourgeois and Brodwin, 1984). Moreover, teamwork plays an important role within the process of strategy implementation within the Agricultural sector. When it comes to implementation activities, it is often ignored.

Despite the neglect by academicians and consultants more challenges are experienced in practice in the course of strategy implementation. In their research, (Bartlett and Ghoshal 1987) found that in all the companies they studied the issue was not a poor understanding of environmental forces or inappropriate strategic intent. Strikingly, organizations fail to implement about 70 per cent of their new strategies (Miller, 2002). A study by (Mankins and Steele, 2005) reveals that 40 per cent of the value anticipated in strategic plan is never realized in the Agricultural sector due to weather changes. Bridging the gap between strategy formulation and implementation has since long been experienced as challenging. Several studies have been done on the strategies that the Agricultural sector has employed over time (Aaltonen and Ikavalko, 2002)

Empirical local studies include; Muli, (2008), did a study to establish the challenges of strategy implementation in Public Corporations with a case study of Telkon Kenya limited. Since he focused mainly on strategies that can be adopted in a competitive environment; the study failed to cover the processes involved in strategy implementation. Republic of Kenya, (2012) through the Agricultural Sector Coordinating Unit did a survey on moving towards agribusiness for a globally competitive Agricultural Sector. This study focused on the context and concept of global externalities affecting strategy implementation. Muguni, (2007) studied the role of executive development in strategy

implementation. He did comparative study of Kenya Commercial Bank and National Bank of Kenya with much emphasis on the profit perspective of these Parastatals performance, thus failing to capture the challenges that face strategy implementation. Given these research gaps and the importance of these processes, this study undertook to fill the gap by establishing the solutions to the question, what are the challenges of strategy implementation and measures to deal with these challenges in the Government owned Parastatals in the agricultural sector in Kenya?

1.3 Research Objectives

The objectives of this study were:

- i. To establish the challenges of strategy implementation in the Parastatals within the agricultural sector in Kenya.
- ii. To determine the measures taken to deal with the challenges of strategy implementation in the Parastatals within the Agricultural sector in Kenya.

1.4 Value of the Study

Strategy is the match between an organization's resources and skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish over time. The study is important to the Parastatal managers and also other managers in other government organizations as it helps them understand the strategy implementation policies and helps different firms achieve success better than others. Important relationships established enhance policy development and enables policy makers to come up with new ways of strategy development in order to curb the challenges of the strategy implementation.

In the theoretical perspective, strategies that face implementation problems are in most cases those that will give a competitive edge. The study sought to acquire knowledge on actions that ought to be taken into consideration in order to make the whole process of strategy implementation successful while understanding the macro-organizational factors affecting business survival, hence adding value to theory by highlighting the need to carry out environmental scanning and its impact as depicted in the findings and conclusion of this study. These subsystems include technology, reward systems, decision processes, and structure. As with any open system, the subsystems are interrelated, and changing one may impact others continuously.

In practice, this study helps in establishing the challenges of strategy implementation and determines measures to overcome them. The results of the study contribute to the research practice by being a source of reference material for future researchers on other related topics and also help other academicians who undertake the same topic in their studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter sets out the conceptual, theoretical and empirical orientation of the study. It examines scholarly literature on the key concepts of the proposed research, which are the challenges of strategy implementation and measures to deal with these challenges in the Parastatals within the Agricultural sector in Kenya.

2.2 Theoretical Foundation

This study is based on the open system theory whereby the external forces impact the institutionalization of the strategy implementation process. Open system theory was initially developed by Ludwig von Bertalanffy, (1956). It is a system which continuously interacts with its environment or surroundings. The interaction can take the form of information, energy, or material transfers into or out of the system boundary, depending on the discipline which defines the concept, (Harvey, 2005).

As one moves from mechanical to organic and social systems, the interactions between parts in the system become more complex and variable. The concept of an open system was formalized within a framework that enabled one to inter- relate the theory of the organism, thermodynamics, and evolutionary theory. This concept was expanded upon with the advent of information theory and subsequently systems theory. Double-loop learning involves two loops; one that sets the organizational goals and monitors progress toward them through internal feedback, and another that changes the organizational goals based on external feedback. This allows the organization to adapt to environmental changes.

An open system is therefore, characterized by importation of energy from the environment, throughput, output and systems as cycles of events, entropy, information input, negative feedback, dynamisms of events; differentiation and integration of activities, (Weber, 1989). The interaction creates interdependence among parameters.

According to Whittington, (2001), systemic strategy views the organization as an open system, taking inputs from society as well as impacting it. This theory is founded on altering environmental factors and circumstances, which impact on how managers can devise strategic paths for their organizations. Interactions between functions were typically handled by managers who relayed information back and forth between departments. Other researchers who have contributed to the open system theory include: (Chandler, 1962) showed that a long-term coordinated strategy was necessary to give a company structure, direction and focus. He says it concisely that structure follows strategy. (Selznick, 1957) formalized the idea of matching the organization's internal factors with external environmental circumstances.

Strengths and weaknesses of the firm are assessed in light of the opportunities and threats in the business environment (Selznick, 1957). According to Ansoff, (1965) a grid that compared strategies for market penetration, product development, market development and horizontal and vertical integration and diversification is necessary. He felt that management could use the grid to systematically prepare for the future. He further developed gap analysis to clarify the gap between the current reality and the goals and to develop what he called gap reducing actions (Ansoff 1965). This evolved into his theory of management by objectives (MBO). (Porter, 1985) argued that strategy target either cost leadership, differentiation, or focus.

Many of the concepts that form the basis of current understanding of strategy development were developed during the first half of the twentieth century. (Taylor, 1930's) emphasized on the rapid growth of forecasting and measurement techniques during the 1930s and the development of organizational structures and the transformation from production to demand-driven organizations after the Second World War. Newman, (1951), became the first to demonstrate the nature and importance of strategy. Ansoff (1965) laid the foundations for strategic planning by demonstrating the need to match business opportunities with organizational resources and illustrating the usefulness of strategic plans.

In the 1980s, the focus shifted from strategic planning towards strategic management (Schendel and Hofer, 1979). Led by Porter (1980, 1985), a broad range of concepts and techniques evolved which were aimed at building and sustaining competitive advantage by anticipating and exploiting business opportunities. In parallel, increasing attention was given to the issue of strategy implementation. Major contributions which resulted from work carried out on strategy implementation during this time include the value chain concept (Porter, 1985) and the 7S framework (Peters and Waterman, 1982) which helps in developing an understanding of internal issues that need to be addressed to achieve the organization's goals.

During the 1970s and 1980s researchers increasingly recognized that strategy development cannot be regarded as a simple design mechanism but that different strategy processes may exist in different organizations and that there may be a gap between the intended and achieved strategy. The focus of strategy research is once again shifting away from identifying drivers of organization success towards maximizing the change

potential of an organization. Mintzberg, (2008) argued that the role of strategists has to change from that of planners and strategy creators to that of strategy finders, knowledge generators and catalysts of change and that strategic planning must be replaced by strategic thinking.

Ansoff (1992) on the other hand, stresses that the classical understanding of strategic planning must be replaced by a more dynamic understanding that focuses on strategic issues and calls for a simplification of the strategic planning process. This implies that strategy formulation can no longer be separated from strategy implementation because of the speed which is necessary to exploit opportunities in the competitive environment. Despite the increasing awareness for a more dynamic approach to strategy formulation and implementation, research up-to-date provides little guidance on how such an approach may be realized. Only a small number of concepts have been proposed which sketch out the basic parameters for a dynamic approach (Fuerer and Chaharbaghi, 1997).

The main functions of strategic management have been explained by Robbins and Coulter (1996) as identifying the organization's current mission, objectives, and strategies, analyzing the environment, identifying the opportunities and threats, analyzing the organization's resources, identifying the strengths and weaknesses, formulating and implementing strategies, and evaluating results. Strategic decisions determine the organizational relations to its external environment, encompass the entire organization, depend on input from all of functional areas in the organization, have a direct influence on the administrative and operational activities, and are vitally important to long-term health of an organization (Shirley, 1982).

Simons and Thompson (1998) refer to three categories of factors that affected strategic decision-making process: environmental factors; organizational factors; and decision-specific factors. Here, environmental factors mean external agents such as national culture, national economic conditions, and industry conditions. Organizational factors refer to organizational structure, organizational culture, structure of decision making bodies, impact of upward influence, and employee involvement. Decision-specific factors can be explained as time, risk, complexity, and politics. Beer et al. (1990), and Woolridge and Floyd (1990) emphasized that the strategy implementation could be more difficult than thinking up a good strategy.

Harrison and Pelletier (1998) explained that the real value of a decision surfaced only after the implementation of a decision. In other words, it will not be enough to select a good decision and effective results will not be attained unless the decision is adequately implemented. Christensen and Donovan (1998) mentioned that intended strategies would be implemented as they have been envisioned if three conditions were met. First, those in the organization must understand each important detail in management's intended strategy. Second, if the organization is to take collective action, the strategy needs to make as much sense to each of the members in the organization as they view the world from their own context. Finally, the collective intentions must be realized with little unanticipated influence from outside political, technological, or market forces.

The importance of enabling sound two-way communications within organizations is seen as fundamental to the effective implementation of strategy (Rapert et al., 2002), with a particular emphasis on facilitating useful feedback and bottom-up messages (Otley, 1999). The process of creating an organizational balanced scorecard essentially

commences with a full strategic appraisal and the clear articulation of the organization's strategic vision and objectives (Kaplan and Norton, 1992). The process of building and utilizing the scorecard provides an opportunity to identify priorities and reconcile different stakeholder demands as well as enhancing strategic feedback and learning (Denton and White, 2000). Noble states that, "the degree of involvement across the organization appears to be a predictor of implementation success" (Noble, 1999, p. 132).

2.3 Concept of Strategy Implementation

Strategy implementation, involves putting in to the diagnosis results and the formulated recommendations through constant monitoring and evaluation, resource provision and regular revision of the deviations. This is applicable for intended, emergent and realized strategies. In the 1980s, the focus shifted from strategic planning towards strategic management (Schendel and Hofer, 1979). The exact means of implementing a strategy needs to be considered including; Alliances with other firms to fill capability gaps; investment in internal development or Mergers/acquisitions of products or firms to reduce time to market; Strategic implementation and control through organizing, resourcing and employing change management procedures.

Led by Porter (1980, 1985), a broad range of concepts and techniques evolved which were aimed at building and sustaining competitive advantage by anticipating and exploiting business opportunities. In parallel, increasing attention was given to the issue of strategy implementation. Major contributions which resulted from work carried out on strategy implementation include the value chain concept (Porter, 1985) and the 7S framework (McKinsey and Company, 1986) which helps in developing an understanding of internal issues that need to be addressed to achieve the organization's goals.

The main functions of strategic management have been explained by Robbins and Coulter (1996) as identifying the organization's current mission, objectives, and strategies, analyzing the environment, identifying the opportunities and threats, analyzing the organization's resources, identifying the strengths and weaknesses, formulating and implementing strategies, and evaluating results. Strategic decisions determine the organizational relations to its external environment, encompass the entire organization, depend on input from all of functional areas in the organization, have a direct influence on the administrative and operational activities, and are vitally important to long-term health of an organization (Shirley, 1982).

In the context of implementing strategies, the application of software solutions seems to be neglected. Recent experience has shown that IT-support is gaining more and more importance. Information tools must be available and adequate to allow strategic decision makers to monitor progress towards strategic goals and objectives, track actual performance, pinpoint accountability, and most important provide an early warning of any need to adjust or reformulate the strategy (Robbins and Coulter, 1996). The strategy implementation perspective demands systems with different criteria than those of conventional systems. The supportive character in monitoring and tracking the implementation process should be in the center of interest. The supportive application of adequate software solutions can be more than helpful to improve the quality of strategy implementation, (Rapa and Kauffman, 2005).

To facilitate the implementation in general, implementation instruments should be applied to support the processes adequately. Two implementation instruments are the balanced scorecard and supportive software solutions. The balanced scorecard is a

popular and prevalent management system that considers financial as well as non-financial measures. It provides a functionality to translate a company's strategic objectives into a coherent set of performance measures (Kaplan and Norton, 1993). When it comes to meeting the criteria of a strategy implementation instrument, there is an excellent fit. The individual character of each balanced scorecard assures that the company's strategic objectives are linked to adequate operative measures.

2.4 Challenges of Strategy Implementation

The challenges arise from internal and external sources. In most cases, many challenges in strategy implementation can be avoided if strategy formulation is linked with implementation. Bryson, (1995) in the presence of a paradigm shift, changes do not implement themselves and it is only people who make them happen. People within any organization may resist proposals for a paradigm shift and thus make strategies difficult to implement (Lynch, 2000). Johnson and Scholes (2002) have extensively underscored the importance of resources in strategy implementation, but inadequacy of resources may imply inadequate funds, inadequate equipment and facilities, and thus not necessarily guarantee strategy implementation success. The process of strategy institutionalization depends on the organization configuration in terms of structures, processes, relationships and boundaries through which the organization operates (Johnson, and Scholes, 2002).

Weak management roles in implementation, lack of communication and commitment to the strategy, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities and uncontrollable environmental factors as some of the difficulties in implementing strategies (Alexander, 1985; Beer and Eisenstat, 2000).

The macro environmental forces such as the political-legal forces may hinder effective organizational leadership. Similarly, political instability may impact negatively on strategy implementation by affecting the political goodwill towards resources mobilization for the strategic plan. State of insecurity in any given country may destabilize the human resource competence and cause destruction of infrastructure intended to facilitate the institutionalization of a strategy. The macroeconomic environment may also impact on strategy implementation especially where inflation interfere with the market share and turn over. The industry forces arising from the buyer's power, the supplier power and competitor rivalry pose serious implementation challenges. (Galbraith and Kazanjian, 1986)

The major problem with strategy implementation is the de facto success rate of intended strategies. In research studies it is as low as 10% (Judson, 1991). To resolve this, strategic management should accomplish its very own shift of emphasis by moving from a 90:10 concern with strategy formulation relative to implementation to a minimum 50:50 proportion with each (Grundy, 1998). This is undoubtedly a prerequisite for strategy implementation. Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process.

According to Johnson and Scholes, (2002), strategy implementation is not a top-down-approach. Consequently, the success of any implementation effort depends on the level of involvement of middle managers. By making sure that these managers are a part of the strategy process, their motivation towards the project will increase and they will see themselves as an important part in the process. (Miniace and Falter, 1996) mentioned that effective strategy implementation entails communicating with employees concerning

issues related to the strategy implementation frequently until the changes have already crystallized. Organizations institute a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy, (Alexander, 1985). Moreover, an organization configuration can help or hinder the implementation of any strategy (Johnson and Scholes, 2002).

Cross-functional relations are representative of an implementation effort. This is indeed a challenge, because as already mentioned before organizational members tend to think only in their own department structures. This may be worsened by over-bureaucracy and can thus end up in a disaster for the whole implementation. This is a preventive way of proceeding. Responsibilities are clear and potential problems are therefore avoided (Rapa and Kauffman, 2005).

Teamwork plays an important role within the process of strategy implementation. When it comes to implementation activities, it is often ignored. It is indisputable, that teams can play an important part to promote the implementation of a strategy. To build up effective teams within strategy implementation the Myers-Briggs typology can be useful to ascertain person-to-person differences. More than any other field of activity, implementation is the area that benefits most from a trained and personality-sensitive management team (Noble, 1999).

According to Alexander (1985), the ten most frequently occurring strategy implementation problems include underestimating the time needed for implementation and major problems surfacing that had not been anticipated, in addition uncontrollable factors in the external environment had an adverse impact.

Based on empirical work with 93 firms, Alexander (1985) observed that senior executives were over optimistic in the planning phase and it is noteworthy that the first two issues which occurred most frequently in Alexander's study are planning issues.

With regard to people, the capabilities of employees involved were often not sufficient, leadership and direction and “training and instruction given to lower level employees were not adequate” (Alexander, 1985, p. 92). Reed and Buckley (1988) discuss problems associated with strategy implementation identifying four key areas for discussion. They acknowledge the challenge and the need for a clear fit between strategy and structure and claim the debate about which comes first is irrelevant providing there is congruence in the context of the operating environment.

Another problem is when management style is not appropriate for the strategy being implemented. More recent articles confirm notable barriers to successful strategy implementation about which there appears to be a degree of accord. According to, Beer and Eisenstat's (2000,) assert that there are six silent killers of strategy implementation comprising: a top-down/laissez-faire senior management style; unclear strategic intentions and conflicting priorities; an ineffective senior management team; poor vertical communication; weak co-ordination across functions, businesses or borders; and inadequate down-the-line leadership skills development (Beer and Eisenstat, 2000).

Another inhibitor to successful strategy implementation that has been receiving a considerable amount of attention is the impact of an organization's existing management controls (Langfield-Smith, 1997) and particularly its adverse budgeting systems (Marginson, 2002).

Although it is increasingly suggested that budgets suffer from being bureaucratic and protracted, and focus on cost minimization rather than value maximization (Brander Brown and Atkinson, 2001), they still represent the main integrative control mechanism in many business organizations (Otley, 2001).

2.5 Measures of dealing with the challenges of strategy implementation

According to (Baumol, 2002), all organizations have goals, boundaries and levels of authority, communication, coordination mechanisms, and distinctive operating procedures. Structure refers to the division of tasks for efficiency and clarity of purpose, and coordination between the interdependent. Mullins (2005) defines structure as tasks and responsibilities, work roles and relationships and channels of communications. Mintzberg (1979) came up with five structures with varying degrees of formality, complexity and centralization. According to Swartz (1985), successful strategies require properly marched organization structure. However, changes in structure should not be expected to make a bad strategy good, or to make bad managers good, or to make good managers bad, or to make bad products sell (Chandler, 1962).

Leadership is the moral and intellectual ability to visualize and work for what is best for the company and its employees. The most vital thing the leader does is to create team spirit around him and near him and its effectiveness has to be seen and is best seen in action (Mullins, 2005). The influence depends on the leader's personality, style, commitment, reputation, altitude and aptitude, skills and experience. A leader needs to constantly change between the forms, and this makes the art of choosing the type to use at what stage in the strategy implementation a challenge. Organizational culture being the collection of common values, policies, beliefs, traditions and altitudes that constitute a

pervasive context for everything we do and think in an organization (McLean, 2005). It requires sensitivity to the interaction between the changes necessary to implement strategy and the compatibility between those changes and the organization culture. When culture influences actions of employees to support current strategy, implementation is strengthened, (Mullins, 2005). A static culture may hinder strategy implementation during a change process. Changing a firm's culture to fit new strategy is usually more effective than changing a strategy to fit existing culture (David, 1997).

Formal and informal processes make organizations work. The processes can be thought as controls on the organization's operations and can therefore help or hinder the translation of a strategy into action. They range from formal controls through social controls to self controls and their importance is how they match the strategy and other organizational elements. Performance targets can be an important process through which successful strategies are fostered. Gupta *et al.* (1984) argue that managers and employees must be rewarded for adhering to the new strategy and implementing actions that are consistent with strategy implementation.

During the process of strategy implementation, how relationships within and outside the organization are fostered and maintained do influence performance levels. Where the needs of the individual and the demands of an organization are incompatible frustrations and conflict occur strategy implementation cannot be achieved (Mullins, 2005). With the pressure of globalization and the ever evolving communication technology, devolution has become a known way as a way of facilitating an increased speed at which decisions need to be made as closer to the consumer.

All organizations have at least four types of resources: financial, physical, human and technological resources (Thompson, 1990). Performance management is not only essential but its processes should be adjusted to support changing strategies. Certain factors such as overprotection of resources, too great an emphasis on short run financial criteria, organization politics, a reluctance to take risks, and a lack of sufficient knowledge (David, 1997) prohibit effective resource allocation. Successful strategy needs identifying appropriate resources as well as allocating these resources and controlling performance in line with strategy (Daft, 2000).

Policies are designed to control decisions while in effect empowering employees to conduct activities without direct interventions by top management. Since it is the operations managers who supervise implementation of policies, it is vital that they are engaged so that they can translate the process (Kazmi, 2002). Policies institutionalize basic aspects of organizational behavior and counteract resistance by organization members.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on the research design; the target population; methods, instruments and procedures of data collection and the data analysis.

3.2 Research Design

In this study, descriptive cross-sectional research design was used. Descriptive cross-sectional research portrays an accurate profile of persons, events, or situations (Robson, 2002). Survey allows the collection of large amount of data from a sizable population in a highly economical way.

The researcher undertook a survey of all the forty Parastatals within the Agricultural sector in Kenya. Since the population is represented in all counties of the Republic of Kenya descriptive cross-sectional design allowed the researcher to collect quantitative data, which was analyzed quantitatively using both descriptive and inferential statistical measures (Saunders et al, 2007).

3.3 Population of study

The population of interest for this study was the Parastatals within the agricultural sector in Kenya. There are 40 Parastatals in the agricultural sector. The study being a survey of Parastatals within the Agriculture sector implied that data was collected from all these Parastatals falling under the Umbrella body of Ministry of Agriculture.

The Parastatals within the Agricultural sector are categorized according to the role they play on behalf of the government. There are those dealing with the production of food crops; research and development of new animal and plant varieties; financing agricultural activities in Kenya, storage of agricultural outputs and marketing of farmers' produce. Studying the whole population was therefore; essential to enhance the value of the study by giving an overall inference of the above characteristics and functions of each Parastatal.

3.4 Data Collection

In order to establish the challenges of strategy implementation in the Parastatals within the agricultural sector in Kenya, self-administered drop and pick questionnaires were distributed to the senior managers in the administration including Human Resource Managers, Business Development Managers and the Operations Managers. For the Parastatals whose offices are outside Nairobi, mailed questionnaires were used.

Questionnaire was designed to identify and establish the challenges of strategy implementation and measures to deal with these challenges in the Parastatals within the Agricultural sector in Kenya respectively. To get adequate and accurate information necessary for the study, the researcher targeted senior managers from each of the parastatals and administered with the questionnaire. The researcher used a likert scale questionnaire as the main data collection instrument.

3.5 Data Analysis

Before processing the responses, the completed questionnaire was edited for completeness and consistency. Descriptive analyses were done; including the use of weighted means, standard deviation, relative frequencies, percentages, and correlation and regression measures. These analytical tools and measures give clear indications of the extent of how internal and external challenges hinder strategy implementation in the Government owned Parastatals in the Agricultural sector in Kenya. Moreover, a link of the various measures dealing with these challenges was well illustrated and presented using these statistical measures.

The data was also coded using numerical values to enable the responses to be grouped into various categories. Descriptive statistics were used to summarize the data. This included, use of tables and other graphical presentations as appropriate to present the data collected for ease of understanding and interpretation by the academicians, population of study members and the general public.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The purpose of the study was to investigate the challenges of strategy implementation within the Parastatals in the Agricultural sector in Kenya. More specifically, the study sought to establish challenges and determine the measures to mitigate these challenges in the Parastatals within Agricultural sector in Kenya. The data was gathered using questionnaires as the research instrument. The questionnaire was designed in line with the objectives of the study so as to guide in establishing the challenges of strategy implementation and measures of mitigating them.

4.2 Response Rate

This section outlines and presents the findings obtained from the questionnaires distributed to the respondents. It was necessary for a review of the responses to ascertain that the information from the respondents was adequate and complete for purposes of the research.

In order to obtain the background information on the effects of strategic planning on the performance of Parastatals within the Agriculture sector in Kenya the demographic data of the respondents and general information of the Parastatals were investigated in the first section of the questionnaire. They are presented in this section under gender, level of education and the presence of the parastals in the respective counties in Kenya. The summary of the general information is tabulated in table 4.1 below.

Table 4.1 General Information on the Respondents

Parameter	Attribute	N (%)
Gender	Female	9(43%)
	Male	12(57%)
Education level	Graduate	7(33%)
	Post graduate	14(67%)
Parastatal size	All counties	4(19%)
	Between 1-14 counties	8(38%)
	Between 15-46 counties	9(43%)

An analysis of the gender ratings on the returned questionnaires were as follows. According to table 4.1 above, majority (57%) of the respondents were male while 43% were female. This shows that both male and female respondents' feelings and opinions were collected. The decisions expressed in this study, therefore are gender sensitive and representative.

Regarding the level of education for the respondents, it was established that Parastatals employ staffs in different work stations/counties hence different academic qualifications as depicted in the above analysis table.

This difference in academic and professional levels, to a greater extent contributed to differences in the responses given by the respondents. The study therefore, sought to investigate the highest education level achieved by the respondents.

The study found that majority of the respondents as shown by table 4.1, 67% had attained Postgraduate degree since these are mostly the senior managers within the Parastatals. The study also revealed that an average number of 33% of the respondents had attained a bachelor's degree at the graduate level of education, none of the respondents indicated diploma as the highest level of education, an indication of high level of academic standards within these parastatals. This information therefore, implies that the respondents were knowledgeable enough to contribute positively in this study of the challenges of strategy implementation within the parastatals in the Agricultural sector in Kenya.

4.2.1 Questionnaire Return Rate

This involves the computation of the response rate from the questionnaire returned from the field. The study targeted the top and middle managers working in the Parastatals within the Agriculture sector in Kenya. Out of the total forty (40) questionnaires administered to the population of study, only twenty one (21) were validly filled and returned for this study. The questionnaire return rate results are shown in Table 4.2

Table 4.2: Response Rate

Response	Frequency	Percentage (%)
Response	21	53
Non response	19	47
Total	40	100

From table 4.2, twenty one out of the forty administered questionnaires filled and returned the questionnaires. This accounted for 53% response rate. This response rate conformed to Mugenda and Mugenda (2003) that for generalization, a response rate of at least 50% is adequate for analysis and reporting, 60% is good and a response rate of 70% and over is considered to be excellent. Thus, this was an adequate response from the targeted population. The good response rate was reached due to the adoption of the data collection method of constant follow up with the respondents and self administering of questionnaires by the researcher and also, providing clarifications sought by the respondents on time and at times immediately.

4.3 Challenges of Strategy Implementation in government owned Parastatals in the Agricultural Sector in Kenya.

The major challenges identified for this study included among others: Organizational culture, teamwork, vertical organization structure, management style, technological advancements, and location of the firm to the market, environmental scanning and commitment of top management.

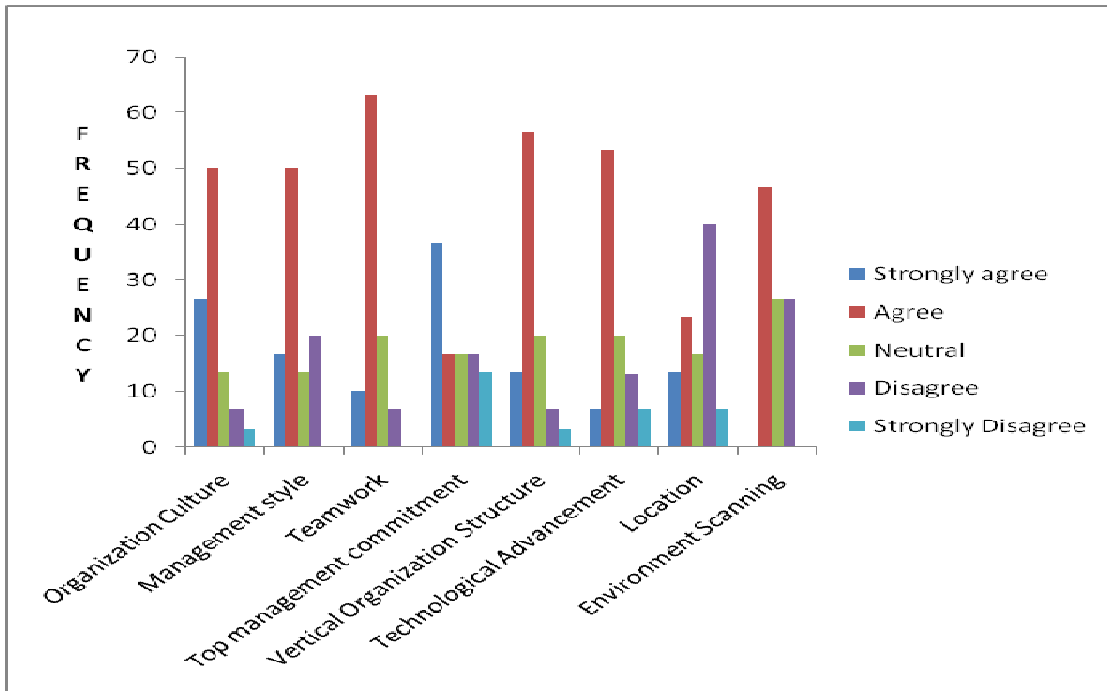
Moreover, the porter's five industry forces were identified as challenges and analyzed consequently. Finally, the customer satisfaction and product conformity to standards measures were also identified and analyzed. These included, the turnaround time, quality of services offered, flexibility of product benefits, customer confidence, the range and variety of products developed over time, alignment of services and products to strategy implementation and the volume of transactions per unit time.

Table 4.3: Internal Challenges of Strategy Implementation

Internal Challenges of Strategy Implementation	Strongly agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)
Organization Culture	27	50	13	7	3
Management style	17	50	13	20	0
Teamwork	10	63	20	7	0
Top management commitment	37	17	17	17	13
Vertical Organization Structure	13	57	20	7	3
Technological Advancement	7	53	20	13	7
Location	13	23	17	40	7
Environment Scanning	0	47	27	27	0

As illustrated in table 4.3, at least 50% of the respondents in each category of the challenges agreed that they actually impede strategy implementation except for the location of the Parastatal to the market place and commitment of top management which received response of 23% and 17% respectively. This implies that the magnitude of challenge can therefore, be ranked in descending order as follows: Teamwork [1], Vertical organization structure [2], Technological advancement [3], Management style and organization culture [4], Environmental scanning [5], Location of the Parastatal relative to the market [6] and commitment of top management [7].

Figure 4.1 Internal Challenges of Strategy Implementation



4.3.1 Internal Challenges of strategy implementation

From the results presented in figure 4.1, a majority of the respondents agreed that organizational culture is a challenge to the implementation of strategy within the parastatals in the agricultural sector in Kenya. Only 3% respondents disagreed that organization culture is a challenge to strategy implementation.

Figure 4.1 indicates that 50% of the respondents agree, 20% disagree, 17% strongly agree while 30% were neutral on whether or not management style is a challenge to strategy implementation. The study results show that 63% of the respondents agree, 20% disagree, 10% strongly agree while only 7% disagree that team work is a challenge in strategy implementation process in the parastatals within the agricultural sector in Kenya.

From the results above, 17% of the respondents agree, 17% disagree, 37% strongly agree, 17% are neutral while only 13% strongly disagree that the commitment of the top management towards strategy implantation is a challenge in strategy implementation process in the parastatals within the agricultural sector in Kenya. Figure 4.2 also indicates that 57% of the respondents agree, 7% disagree, 13% strongly agree while another 13% strongly disagree that the long vertical structure is a challenge to strategy implementation.

From the results presented in figure 4.1, 53% of the respondents agreed that technological advancement is a challenge to the implementation of strategy within the parastatals in the agricultural sector in Kenya. Only 7% respondents strongly disagreed that technological advancement is a challenge to strategy implementation. Figure 4.1 indicates that 23% of the respondents agree, 40% disagree, 13% strongly agree while 17% were neutral on whether or not the location of the Parastatal to the market is a challenge to strategy implementation. Moreover, as depicted in figure 4.1, 47% of the respondents agree, 27% disagree, and another 27% were neutral on whether or carrying out an analysis of the existing environmental factors is a challenge to strategy implementation.

4.3.2 The Porter's five industry forces affecting strategy implementation

The Michael Porter's five industry forces that were identified and analyzed in this study are; the threats of new entrants, threats of substitutes, the buyer's and supplier's powers and competitive rivalry among the various government owned Parastatals in the Agricultural sector in Kenya while implementing strategies as illustrated in figure 4.2.

Figure 4.2 Porters Five Forces



Source: Porter, (1985)

Table 4.4: The Porter’ five industry forces affecting strategy implementation

Industry Force	Very High	High	Neutral	Low	Very Low	Mean	Std. Deviation	Skewness
Threats of new entrants	13.3	23.3	20.0	13.3	30.0	3.23	1.455	-.076
Threats of substitutes	6.7	26.7	23.3	13.3	30.0	3.33	1.348	-.027
Buyers' power	16.7	20.0	30.0	10.0	20.0	2.97	1.375	.155
Suppliers' power	20.0	16.7	26.7	20.0	16.7	2.97	1.377	-.021
Rivalry	20.0	20.0	10.0	26.7	23.3	3.13	1.502	-.177

From the results presented in table 4.4, the threat of new of substitutes from other Parastatals producing and/or offering similar services to the ones offered by Parastatals under study is more significant as reflected the mean response relative to the other forces.

On the basis of dispersion as reflected by the standard deviation measures above, rivalry is widely dispersed followed by threats of new entrants, supplier's power, buyer's power and threats of substitutes respectively. This implies that the respondents perceived competitive rivalry amongst themselves and other producers of similar products/services as the major influential factor in strategy implementation.

Table 4.5 Correlation of the industry forces affecting strategy implementation

Industry Force		Threats of new entrants	Threats of substitutes	Buyers power	Suppliers power	Rivalry
New entrants threats	Pearson Correlation	1	.434*	.320	.314	.522**
	Covariance	2.116	.851	.651	.629	1.140
Threat of substitutes	Pearson Correlation	.434*	1	.309	.545**	.352
	Covariance	.851	1.816	.550	1.011	.713
Buyers' power	Pearson Correlation	.320	.309	1	.520**	.123
	Covariance	.651	.550	1.892	.966	.256
Suppliers' power	Pearson Correlation	.314	.545**	.520**	1	.119
	Covariance	.629	1.011	.966	1.895	.246
Rivalry	Pearson Correlation	.522**	.352	.123	.119	1
	Covariance	1.140	.713	.256	.246	2.257
* . Correlation is significant at the 0.05 level (2-tailed).						
** . Correlation is significant at the 0.01 level (2-tailed).						

Correlation is a statistical technique that can show whether and how strongly pairs of variables are related. The Pearson correlation is +1 in the case of a perfect positive (increasing) linear relationship (correlation), -1 in the case of a perfect decreasing (negative) linear relationship (anti correlation), and some value between -1 and 1 in all other cases, indicating the degree of linear dependence between the variables. As it approaches zero there is less of a relationship (closer to uncorrelated). The closer the coefficient is to either -1 or 1, the stronger the correlation between the variables.

If the variables are independent, Pearson's correlation coefficient is 0, but the converse is not true because the correlation coefficient detects only linear dependencies between two variables. Therefore, from table 4.5, there is a very strong degree of dependability of 0.522 between threat of new entrants and competitive rivalry at 99% confidence level. Moreover, at 95% confidence level, there is a moderate degree of dependability of 0.434 between threat of new entrants and threats of substitutes. Likewise the degrees of dependability between threat of new entrants and buyer's power and that of supplier's power are 0.320 and 0.314 respectively but are neither significant at 95% nor at 99% confidence levels.

Covariance is the degree to which the value of a dependent variable and an associated independent variable moves in tandem. Positive covariance means they move together (vary directly) while negative covariance means they move in opposite directions. From the results above, there is a strong positive co-movement of 1.140 between threat of new entrants and rivalry and moderate positive co-movement between threats of new entrants and supplier's power. All the above industry forces have a positive covariance with each other, signifying high relatedness and their dependability.

Notably, from table 4.5, there is a moderate degree of dependability of 0.545 between threat of substitutes and supplier's power at 99% confidence level. Moreover, at 95% confidence level, there is a moderate degree of dependability of 0.434 between threat of substitutes and threat of new entrants. Likewise the degrees of dependability between threat of substitutes and buyer's power and that of competitive rivalry are 0.309 and 0.352 respectively but are neither significant at 95% nor at 99% confidence levels.

From the results above, there is a strong positive co-movement of 1.011 between threat of substitutes and supplier's power and average positive co-movement between threats of substitutes and new entrants of 0.851. The co-movement between threats of substitutes; rivalry and buyers' power are 0.713 and 0.550 respectively signifying a positive covariance for all these forces and relative relevance to strategy implementation process.

With respect to the buyers' power, the degree of dependability to the supplier's power is significant at 0.01 levels (2- tailed test) with a value of 0.520. However, the dependability is insignificant to the threat of new entrants, threat of substitutes and rivalry with the outcome values of 0.320, 0.309 and 0.123 respectively. There is a strong positive co-movement of 0.966 between buyers' power and supplier's power. The co-movement between buyers' power; rivalry, threat of substitutes and new entrants are 0.256, 0.55 and 0.651 respectively signifying a positive covariance for all these forces and relative relevance to strategy implementation process in the Parastatals within the Agricultural sector in Kenya as per the information gathered from the respondents and analyzed as in table 4.5 above.

Table 4.6: Regression Analysis of the industry forces affecting strategy implementation

ANOVA				
Model	d.f	Mean Square	F	Sig.
Regression	4	4.884	2.628	.060
Residual	17	1.858		
Total	21			

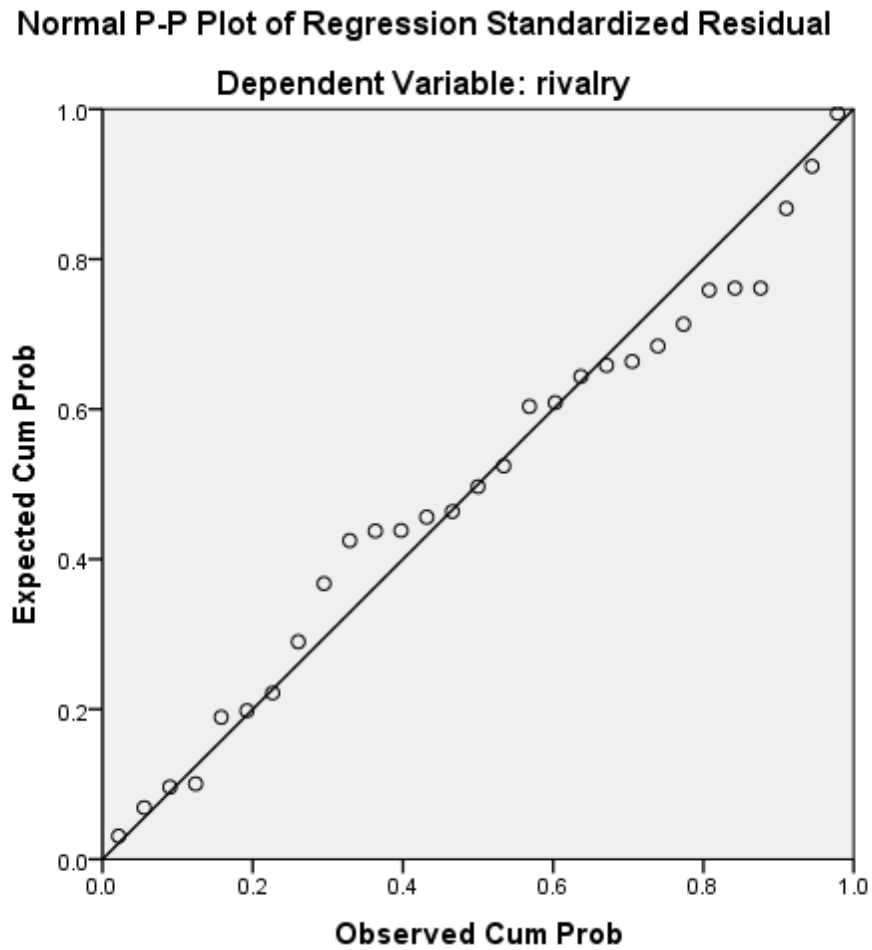
a. Dependent Variable: Rivalry

b. Predictors: (Constant), New entrants threats, suppliers' power, Buyers' power, Threats of substitutes

Regression analysis is a statistical process for estimating the relationships among variables. It is a technique for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. It helps one understand how the typical value of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed. Most commonly, regression analysis estimates the conditional expectation of the dependent variable given the independent variables.

From the analysis of variance (ANOVA) table above, at 4 degrees of freedom, the rivalry variable has a significant dependency of 0.060 on the extent of the predictor variables: threat of new entrants, supplier's power, threat of substitutes, and buyer's power. This implies that competitive rivalry in the Parastatals within the Agricultural sector is relatively dependent on the other four forces of industry competitiveness.

Figure 4.3 Regression Analyses of the Challenges of Strategy Implementation



From figure 4.3 above, a scatter diagram drawn to establish the distribution of the industry forces along the linear relationship curve indicate that all the forces are normally along the positive gradient line. This is further a clear inference of the dependability of all these forces jointly in the attempt to implement strategy by Parastatals within the Agricultural sector in Kenya.

4.3.3 Customer and Product Related Challenges of Strategy Implementation

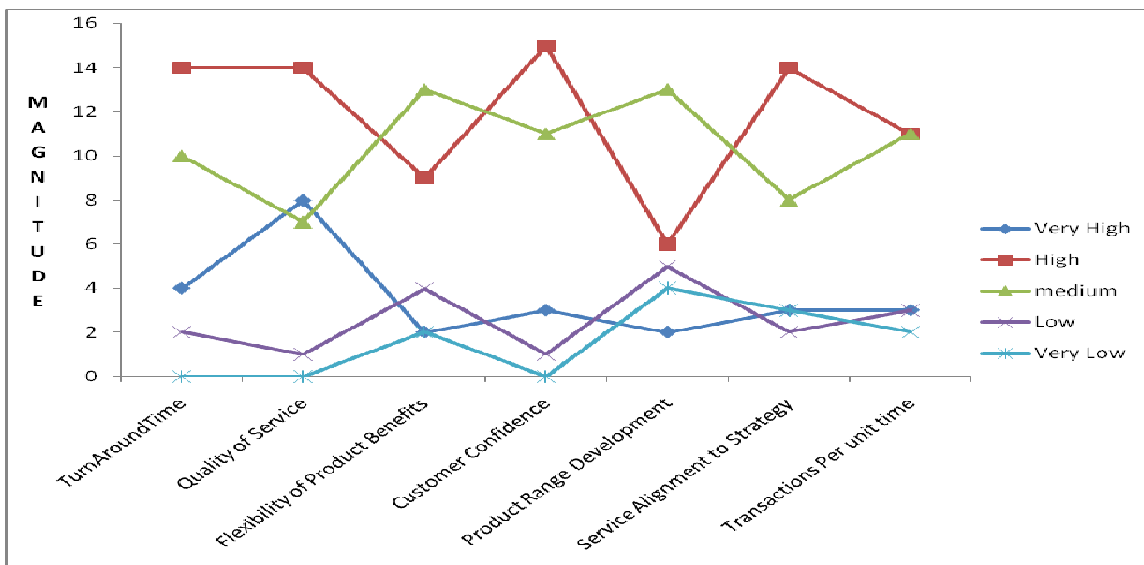
These are the challenges that relate directly or indirectly with the customer satisfaction and product features. They include; the turnaround time, quality of service offered to the customer, customer confidence, volume of transactions per unit time, flexibility of product benefits, range of products developed over time and service alignment to strategy implementation process.

Table 4.7 Customer and Product Related Challenges of Strategy Implementation in the Parastatals within Agricultural Sector in Kenya

Satisfaction Measure/Magnitude	Very High	High	Medium	Low	Very Low
Turn Around Time	4	14	10	2	0
Quality of Service	8	14	7	1	0
Flexibility Product Benefits	2	9	13	4	2
Customer Confidence	3	15	11	1	0
Product Range Development	2	6	13	5	4
Service Alignment to Strategy	3	14	8	2	3
Transactions per Unit Time	3	11	11	3	2

As illustrated in table 4.7, except for the flexibility of product benefits and the range of products developed over time, at least 50% of the respondents in each category of the satisfaction measures agreed that actually these measures aid in strategy implementation. This implies that the magnitude of satisfaction can be ranked in descending order as: customer confidence [1], quality, turnaround time and service alignment to strategy [2], transactions per unit time [3], flexibility of product benefits [4] and product range [5].

Figure 4.4 Customer and Product Related Challenges of Strategy Implementation in the Government owned Parastatals in the Agricultural Sector in Kenya



From the results presented in figure 4.4, majority of the respondents indicated that turnaround time, quality of service, customer confidence, service alignment to strategy implementation and the volume of transactions per unit time as being a highly rated customer related challenges to strategy implementation. An average rating was established on the flexibility of product benefits, range products, transactions per unit time and turnaround time as being a product features challenge to strategy implementation.

4.4 Measures dealing with challenges of strategy implementation in the Government owned Parastatals in Agricultural Sector in Kenya

These refer to the steps that have been put in place to deal with the challenges of strategy implementation by responsible authorities within the Parastatals in the Agricultural sector in Kenya. They include among others: introduction and enhancement of a organizational learning, two-way effective communication, improved internal business processes, provision of the necessary material, financial and human resources, customer focus, putting effective financial controls, setting up policies, rules and regulations, creation of horizontal structure, having focused situational leadership and alignment of culture to strategy.

Table 4.8 Dispersion and distribution of the measures dealing with challenges of Strategy Implementation in the Parastatals within Agricultural Sector in Kenya

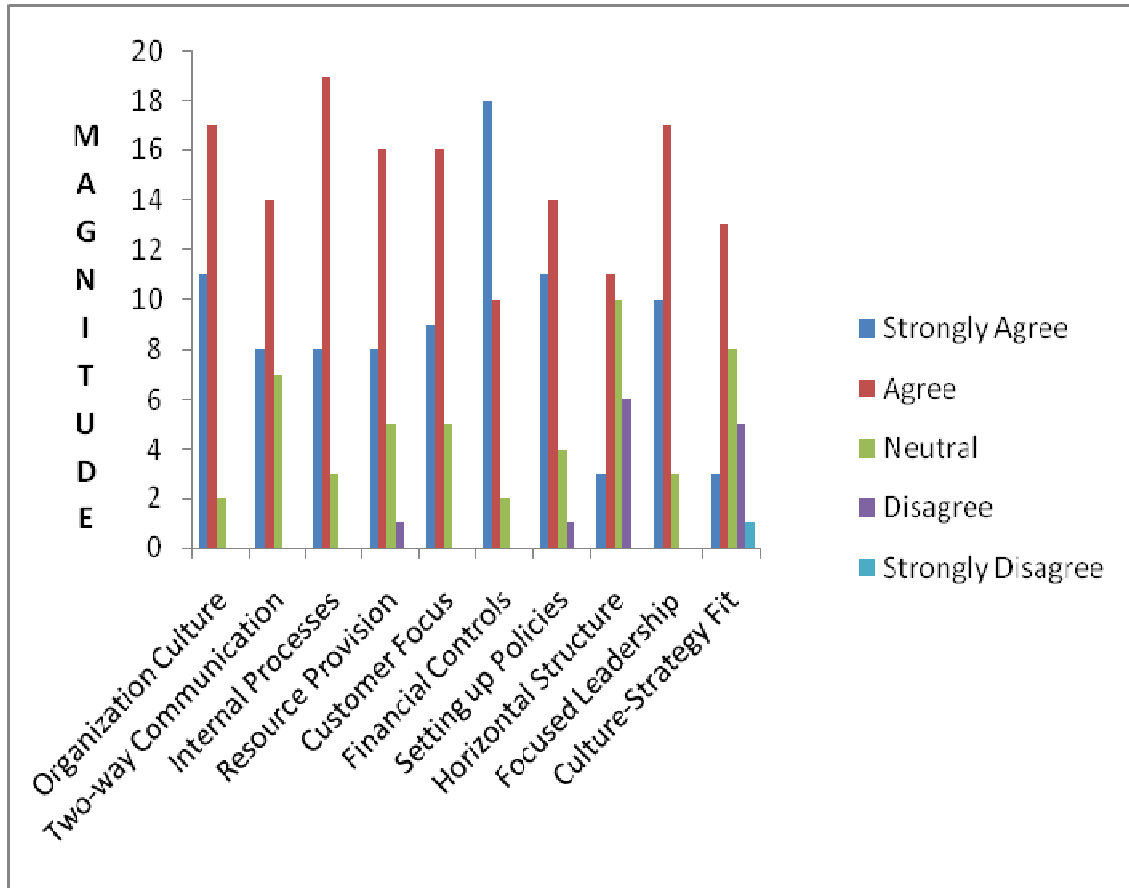
MITIGATING/STATISTICAL MEASURE	Mean	Std. Deviation	Skewness	Kurtosis
Organization Learning	1.70	.596	.189	-.482
Two-Way Communication	1.93	.740	.108	-1.085
Internal Processes	1.83	.592	.040	-.082
Resource Provision	1.97	.765	.553	.353
Customer Focus	1.87	.681	.170	-.715
Financial Controls	1.47	.629	1.025	.113
Setting Up Policies	1.83	.791	.762	.421
Horizontal Structure	2.63	.928	-.003	-.806
Focused Leadership	1.77	.626	.201	-.453
Culture Alignment to Strategy	2.55	.985	.568	.054

As per the results in table 4.8, on the basis of central tendency, majority of the respondents, an average of 2.63 out of the total ten measures of dealing with strategy implementation challenges indicated that creation of a flatter organizational structure will greatly solve the challenges. This was followed by culture alignment to strategy implementation process and least preferred through financial controls with an average rating of 1.47 out of ten measures established for study. However, basing on the dispersion from the central value, culture alignment to strategy was rated high at 0.985 while internal processes was rated lowly at 0.592.

From table 4.8 also, financial controls are noted to have an evenly distributed measure of 1.025 along the central point. While by use of kurtosis, setting up of policies, rules and regulations was given preference by most respondents as a way of dealing with the challenges of strategy implementation in the Parastatals within the Agricultural sector.

Basing on central tendency measures, majority of the respondents, an average of 2.63 out of the total ten measures of dealing with strategy implementation challenges indicated that creation of a flatter organizational structure will greatly solve the challenges. This was followed by culture alignment to strategy implementation process and least preferred through financial controls with an average rating of 1.47 out of ten measures established for study.

Figure 4.5 Measures dealing with Challenges of Strategy Implementation



As evidenced in figure 4.5, in every measure of dealing with the challenges above, majority of the respondents agreed that these measures actually affect it. Moreover, 65% of the respondents strongly agreed that financial controls are the most effective measures to deal with challenges of strategy implementation. In relation to the literature review, the results above indicate that for strategy implementation to be realized effectively, it has to get support from the stakeholders in terms of creating a responsive organizational culture, enhancing two-way communication, facilitating effective internal processes, providing sufficient resources, aligning service provision to the customer needs, streamlining the financial controls and business policies in place at every stage of strategy implementation.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter deals with the summary of the findings, conclusions and recommendations based on the objectives of the study and suggestions for further findings. It covers the background of the study, research problem and the objectives; literature review; the methodology used to collect data and analysis of the data obtained from the study. This chapter also presents the suggestions for further study in establishing the challenges of strategy implementation in the Parastatals within the Agricultural sector in Kenya and further measures to deal with these challenges.

5.2 Summary of Findings

From the results of the analyzed data, it was established that, organizational culture is a major challenge followed by team work, vertical organization structure, and technological advancement while location of the Parastatal to the market and environmental scanning contribute least as being a challenge.

The threat of new of substitutes from other Parastatals producing and/or offering similar services to the ones offered by Parastatals under study is more significant as reflected by the mean response relative to the other forces. On the basis of dispersion as reflected by the standard deviation measures, rivalry is widely dispersed followed by threats of new entrants, supplier's power, buyer's power and threats of substitutes respectively. This implies that the respondents perceived competitive rivalry with other producers of similar products/services as the major influential factor in strategy implementation.

It is significant to note that there is a very strong degree of dependability between threat of new entrants and competitive rivalry at 99% confidence level. Moreover, at 95% confidence level, there is a moderate degree of dependability of 0.434 between threat of new entrants and threats of substitutes. Likewise the degrees of dependability between threat of new entrants and buyer's power and that of supplier's power are 0.320 and 0.314 respectively but are neither significant at 95% nor at 99% confidence levels.

From the results above, there is a strong positive co-movement between threat of substitutes and supplier's power and average positive co-movement between threats of substitutes and new entrants. The co-movement between threats of substitutes; rivalry and buyers' power are 0.713 and 0.550 respectively signifying a positive covariance for all these forces and relative relevance to strategy implementation process.

With respect to the buyers' power, the degree of dependability to the supplier's power is significant at 0.01 levels (2- tailed test) with a value of 0.520. From the analysis of variance (ANOVA) table above, at 4 degrees of freedom, the rivalry variable has a significant dependency of 0.060 on the extent of the predictor variables: threat of new entrants, supplier's power, threat of substitutes, and buyer's power. This implies that competitive rivalry in the Parastatals within the Agricultural sector is relatively dependent on the other four forces of industry competitiveness.

The challenges that relate directly or indirectly with the customer satisfaction and product features studied included; the turnaround time, quality of service offered to the customer, customer confidence, volume of transactions, flexibility of product benefits, range of products developed over time and service alignment to strategy implementation process.

From the results majority of the respondents indicated that turnaround time, quality of service, customer confidence, service alignment to strategy implementation and the volume of transactions per unit time as being a highly rated customer related challenges to strategy implementation in the population under study. An average rating was established on the flexibility of product benefits, range of developed products over time, transactions per unit time and turnaround time as being a product features challenge to strategy implementation.

The measures taken to deal with challenges of strategy implementation included: introduction and enhancement of a organizational learning, two-way effective communication, improved internal business processes, provision of the necessary material, financial and human resources, customer focus, putting effective financial controls, setting up policies, rules and regulations, creation of horizontal structure, having focused situational leadership and alignment of culture to strategy.

It was established that majority of the respondents, indicated that creation of a flatter organizational structure will greatly solve the challenges. This was followed by culture alignment to strategy implementation process and least preferred through financial controls. However, basing on the dispersion from the central value, culture alignment to strategy was rated high while by use of kurtosis, setting up of policies, rules and regulations was given preference by most respondents as a way of dealing with the challenges of strategy implementation in the Parastatals within the Agricultural sector in Kenya.

5.3 Conclusion

The study concludes that the major challenges affecting the implementation of strategy in the Parastatals within the agricultural sector in Kenya are organizational culture, lack of coherent and effective teams, tall vertical organization structure, the management style, technological advancements, low levels of environmental scanning, location of the firm to the market, and the commitment of the top management in these Parastatals.

The study also concludes that the Michael Porter's five industry forces of threats of new entrants, threats of substitutes, the buyers' and suppliers' powers and the predominant competitive rivalry are the major challenges in attempt to implement the respective strategies in the Parastatals within the agricultural sector in Kenya.

Moreover, the study deduced that the challenges that relate directly or indirectly with the customer satisfaction and product features included; the turnaround time involved in completing the processes, the quality of services offered to the customer, customer confidence, volume of transactions per unit time, flexibility of product benefits, range of products and service alignment to strategy implementation processes.

The study determined and finally construed that the steps that need to be put in place to deal with the challenges of strategy implementation by responsible authorities within the Parastatals in the agricultural sector in Kenya include; enhancement of organizational learning, two-way communication, improved business processes, provision of the necessary material and human resources, customer focus, putting up effective financial controls, setting up policies, creation of horizontal structure, focused situational leadership and alignment of culture to intended strategy implementation process.

5.4 Recommendations for Policy and Practice

As evidenced and deduced the study findings and conclusions, it is clear that that in the Parastatals within the agricultural sector in Kenya, efforts have been made to establish challenges of strategy implementation and the various measures put in place to deal with these challenges more often though at no stringent guidelines. This study therefore, recommends that since organization culture affects strategy implementation, there is need to adapt and align culture to strategy implementation in order to ensure coherence is realized.

The study also found that management styles influence strategy implementation; the study thus recommends that management staffs responsible for leading the implementation process should strive to encourage others for excellence through employees' own behavior and full recognition of high standards of performance. In addition, employee's adaptability should be tackled by enlightening them in advance through seminars, workshops and offering training programs that influence strategy implementation within these parastatls.

The study also recommends that there is need to carry out comprehensive environmental scanning so as to identify the opportunities and threats that are likely to impede strategy implementation. These should establish relationships between industry forces such as threats of substitutes, new entrants, buyers' and suppliers' powers and the predominant competitive rivalry also are major challenges among the various parastatals within the agricultural sector in Kenya in their attempt to implement strategy.

The study established that that is very little emphasis made by the top management to widen their products' range and align their quality of services to strategy. The study therefore, recommends that these Parastatals should put in place systems, for instance technological devices that are compatible and can easily facilitate strategy implementation processes.

Finally, the study recommends the tightening of financial controls through authentication of records and responsibility for the actions of various officers in charge. This would include finding the best approaches in management of funds that will ensure there are fair costs of services, easily attainable capital requirements, increased customer base, minimal and sufficient operational costs with maximum expected performance.

5.5 Suggestions for Further Research

This study has established the challenges of strategy implementation in the Parastatals within the agricultural sector in Kenya and determined the measures to deal with these challenges. There are other parastatals in other sectors within and outside Kenya that are undertaking strategy implementation processes. In this regard therefore, there is need for other research studies to be done emphasizing on these parastatals within other sectors so as to ensure comparative analysis and generalization of the findings of the Kenyan and external Parastatals and establish a benchmark for performance targets and strategic goals' realization through implementations.

5.6 Implications of the Study on Policy, Theory and Practice

The study is important to the Parastatal managers and also other managers in other government organizations as it helps them understand the strategy implementation policies and enable them adapt new policies and approaches of implementing strategy and establishing policy development for new ways of smoothly putting strategy in to place in order to curb the challenges of the strategy implementation.

In the theoretical perspective, the study sought to acquire knowledge on actions that make the whole process of strategy implementation successful while understanding the macro-organizational factors affecting business survival. This implies that findings and drawn from this study will add value to theory by highlighting the need to carry out environmental scanning and its impact. The study has highlighted such subsystems as technology, legal framework governing the Parastatals, social and economic levels of each Parastatal, buyers' and suppliers' inter-relationships and how they affect the internal business processes, decisions and structure. An insight of these relationships results into development of advanced situational strategies to manage the organizations.

This study helps in establishing the challenges of strategy implementation and determines measures to overcome them. The results of the study contribute to the research practice by being a source of reference material for future researchers on other related topics and also help other academicians who undertake the same topic in their future studies. The suggestions on the areas for further research on the challenges of strategy implementation in the government owned Parastatals in other sectors will give comparative analysis and form a basis for researching more flexible and advanced ways of improving profitability and relevance of each and every government Parastatal in Kenya and beyond.

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APPENDICES

APPENDIX I: INTRODUCTION LETTER

Dear Sir/Madam,

RE: REQUEST FOR RESEARCH INFORMATION

I am a student at the University of Nairobi pursuing a master degree in business administration. I am currently undertaking a research project on the challenges of strategy implementation in the Parastatals within the Agricultural sector in Kenya as part of the academic requirement for the award of the above stated degree.

I would be very grateful if you could spare a moment of your time and fill the attached questionnaire to help me gather the necessary information. The information you give will be treated with utmost confidentiality and shall be used solely for this research problem. A copy of the same shall be availed to you on request.

I will highly appreciate any additional information that you might consider necessary for this research study.

In case of any clarifications pertaining this research project/questionnaire, do not hesitate to contact me on telephone number: +254 736 264 888.

Thank you in advance.

Yours sincerely,
Joseph K. Maiyo

APPENDIX II: QUESTIONNAIRE

Instructions

This questionnaire has three sections. Section A deals with the general information about the respondent and the Parastatal; section B deals with the challenges of strategy implementation; section C deals with the measures to deal with challenges of strategy implementation in the Parastatals within the Agriculture sector in Kenya.

For most questions, you are required to choose by ticking in the box [] one answer among the alternatives. For other questions, you are asked to rank the alternatives in terms of their relative importance to strategy implementation within the Parastatal. For certain questions, you are encouraged to specify other alternatives in the space provided or to fill in the blank spaces.

SECTION A: GENERAL INFORMATION

1. What is your gender?
 - a. Male []
 - b. b. Female []

2. What is your level of education?
 - a. Postgraduate []
 - b. Graduate []
 - c. Diploma []
 - d. K.C.S.E/O-Level []

3. What is the name of your Parastatal?.....

4. What is the size of your Parastatal in terms of countrywide presence?

- a. Present in all counties []
- b. Present in between 15-46 counties []
- c. Present in between 1-14 counties []

SECTION B: CHALLENGES OF STRATEGY IMPLEMENTATION

5. Do you agree that the following challenges of strategy implementation face your Parastatal in its bid to implement strategy?

Measure	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Organizational Culture					
Teamwork					
Vertical organizational structure					
Management style					
Technological advancement					
Location of the firm to the market					
Environmental scanning					
Commitment of top management					

6. In a scale of 1-5 where 1 represents very high while 5 represents very low, indicate the level in which the following industry forces affect your Parastatal.

Industry Force	1	2	3	4	5
Threat of new entrants					
Threat of substitutes					
Buyers' Power					
Suppliers' Power					
Competition Rivalry					

7. What are the gains your Parastatal has achieved in terms of customer service satisfaction and how such satisfaction has been realized in each of the gains since the introduction of strategy implementation process in your Parastatal?

Satisfaction Measure	Very high	High	Medium	Low	Very Low
Turnaround time					
Quality of service					
Flexibility of product benefits					
Customer confidence					
Product range development					
Service alignment to strategy					
Volume of transactions/unit time					

**SECTION C: MEASURES TO DEAL WITH CHALLENGES OF
STRATEGY IMPLEMENTATION**

8. To what extent do you agree that the following measures have been put in place by your Parastatal to support strategy implementation within your organization?

Measure	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Organizational learning					
Two way communication					
Internal Processes					
Resources provision					
Customer Focus					
Financial Controls					
Setting up Policies					
Creation of horizontal structure					
Focused Leadership					

THANK YOU FOR YOUR COOPERATION.

APPENDIX III: List of Parastatals in the Agricultural Sector in Kenya

1. Agriculture, Fisheries and Livestock Authority
2. National Irrigation Board
3. Coffee Research Foundation
4. Kenya Plant Health Inspectorate Service
5. Kenya Agricultural Research Institute
6. Central Agricultural Board
7. Kenya Farmers Association
8. Cotton Development Authority
9. Coconut Development Authority
10. Miwani Sugar Factory[In receivership]
11. Muhoroni Sugar Company[In receivership]
12. Kenya Sugar Research Foundation
13. Bukura Agricultural College
14. Agricultural Information Resource Centre
15. Kenya Animal Genetics Resource Centre
16. Coffee Development Fund
17. Pyrethrum Board of Kenya
18. Pest Control Products Board
19. Kenya Seed Company
20. Mumias Sugar Company
21. Kenya Dairy Board
22. Kenya Meat Commission
23. Kenya Veterinary Vaccine Production Centre
24. Kenya Marine and Fisheries Research Institute
25. Kenya Sisal Board
26. Agro-Chemical and Food Company
27. Agricultural Development Corporation
28. Agricultural Finance Corporation
29. National Bio-Safety Authority
30. National Cereals and Produce Board

31. Tea Board of Kenya
32. Horticultural Crops Development Authority
33. Nyayo Tea Zones Development Corporation
34. Coffee Research Foundation
35. Coffee Board of Kenya
36. Kenya Sugar Board
37. Tea Research Foundation
38. South Nyanza Sugar Company Ltd
39. Nzoia Sugar Company
40. Chemelil Sugar Company

Source: (Republic of Kenya, Executive Order No. 2/2013)