

**STRATEGY IMPLEMENTATION AND CHALLENGES AT
LIMURU CONSTITUENCY DEVELOPMENT FUND IN KENYA**

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DECLARATION

This research project is my original work and has not been submitted for examination in any other University.

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

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DEDICATION

I dedicate this research project to My Family, who have been my pillar of strength and encouragement. I remain eternally indebted to you.

ABSTRACT

Thompson and Strickland (1998) argue about what has to be done internally to ensure target results are achieved within the targeted framework of time. The CDF must successfully implement its strategic plans. This is because CDF occupies a strategic position in financing of development projects at the constituency level with the aim of poverty eradication. Besides being a statutory requirement, the CDF Limuru has embraced the strategic plan implementation as a management tool to enable it achieve its core objectives. The study sought to find out how the CDF is implementing as a management tool to enable it achieve its core objectives. The study sought to find how the CDF is implementing its strategic plans and the challenges encountered in its pursuit. Data was collected from the CDF management by use of an interview guide. The main aim of interviewing this team was that they were responsible for the formulation and formulation of the Strategic plan thus considered as having the relevant information for the study. Content analysis was used to derive information from the collected data. The Implementation process was found to be very challenging thus management is keen to see its success. The findings indicate the implementation process was participatory. Management is working on modalities of sensitizing all staff on the need owning the strategic plan to ensure its success. It was revealed from the findings that the challenges as inhibiting the strategic plan implementation were powerful stakeholders, financial and technological challenges. A bigger scenario of challenges include political climate and political violence like previously witnessed in 2007. Any Organization should expect challenges when implementing strategy Kiplanga (2009), Musyoka (2011), Mutuku (2011). The challenges faced during strategy implementation phase can be a result of number of factors both internal and external to the organization and will depend on strategy, type of organization and prevailing circumstances: organization implementing strategy. The study was limited by the fact that the researchers having adopted a case study design make it difficult to generalize the findings. The study was limited by time this means that intense exposure to the subject variable may have been constrained analysis cannot be interfered to another organization. Similar studies involving operational staff be carried out to get their insight in regards to strategy implementation. The reason being they are directly involved in execution. It would be important to evaluate the efficiency and effectiveness of the implementation process against the set targets.

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ABBREVIATIONS

CDF- Constituency Development Fund Committee

LDC- Locations Development Committee

PMC- Project Management Committee

CDFC- Constituency Development Fund Committee

LCDC- Locations Constituency Development Committee

LCDF- Limuru Constituency Development Fund Committee

LDCP- Limuru Development Committee Plan

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Strategy is the direction and scope of organization over the long term which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations. Newman L.H (1989).

The Strategy summarizes the way an organization elects to relate to its environment. In what particular niche does the company wish to fit and how does it expect to excel in that niche and since the environment keeps changing this adjustment to opportunity and threats is a never- ending task. Gerry Johnson (2008).

A business Strategy sets forth the mission of a company. It reflects the choice of the key services that the organization will perform and the primary basis for distinctiveness in creating and delivering such services because the mission is the overriding aim of the company the strategy serves as a guide to managers in deciding what to do and what not to do.

Resource Based Viewit's often known as the inside out approach to Strategy important resources are inscribed in the complexity of an organization culture, human resource and intellectual property will provide the ingredients for a superior long term performance beyond that of the competitors.

Firms should seek to develop inimitable resources over time it is a possession of these and alone will help produce a meaningfully and long-term competitive advantage. It advocates on internal capabilities of an organization internal resources capabilities provide the basic direction for a firm's Strategy rather than on the external factors that are clearly beyond its control. Penrose,(2009)

Dynamic capabilities are the process of a firm that is able to reconfigure resources to respond to changes in the market place. The dynamic capabilities approach is best seen as a development from the Resource Base View with an understanding that market conditions are fast changing and constantly require new and different competencies. Dynamic Capabilities identify the organization and individual capability that enable to build and maintain value enhancing points of differentiation. Augier & Teece (2008) the dynamic capabilities approach seek to understand how firms develop, refresh and renew important capabilities.

The Constituency Development Fund was created by the constituencies' development fund act 2003 with primary objective of addressing poverty at the grassroots level by dedicating a minimum 2.5% of the government ordinary revenue to grassroots development and the reduction of poverty. The enactment of the CDF act 2013 was mainly aimed to ensure that the law governing CDF is aligned to the constitution of Kenya 2010, specifically compliance with the following principles.

Transparency and accountability, separation of powers, participation of the people, new laws aimed at aligning the operation of the fund to the new devolved government structure.

1.1.1 Concept of Strategy

Strategy is a managerial game plan. An Organization's strategy consists of the pattern of moves and approaches devised by management to produce successful organization performance. Strategy emerges over time as intentions collide with and accommodate a changing reality. Thus, one might start with a perspective and conclude that it calls for a certain position, which is to be achieved by way of a carefully crafted plan, with the eventual outcome and strategy reflected in a pattern evident in decisions and actions over time. This pattern in decisions and actions defines what is realized or emergent strategy. Henry Mintzberg(1994).

A Strategy is a pattern of actions and resources allocations designed to achieve the goals of the organization. The strategy that an organization implements is an attempt to match the skills and resources of the organization to the opportunities found in the external environment. The strategies, the organization implements should be directed toward building strengths in areas that satisfy the wants and needs of consumers and other key actors in the organization's external environment. Also some organizations may implement strategies that change or influence the external environment. Bateman & Zeithaml(1990).

Strategy formulation refers to the entire management function establishing organization direction, setting objectives and devising a managerial game plan for the organization to pursue. The organization pushes in new directions and installs new and higher performance which is good indicator of enterprising spirit. The entrepreneurial challenge keeps the organization strategy fresh to enabling it deal with changing conditions to steer the organization into doing the right things.

Strategy implementation involves figuring out workable approaches to executing the strategy. An organization capable of carrying out the strategy successfully, steering adequate resources into those internal activities critical to strategic success, instituting a strategy- supportive set of policies and procedures creating a strategy- supportive working environment, tying the reward structure tightly to achievement.

Strategy evaluation circumstances are always cropping up that make corrective adjustments desirable. Long term direction may need to be altered, the business redefined. The management's vision of the organization's future course narrowed or broadened. Performance targets may need raising or lowering in light of past experience and future prospects. Strategy may need to be modified, because it is working well or because changing conditions make fine tuning or even major overhaul if necessary.

1.1.2 Strategy Implementation Process

Strategy implementation is largely an internal administrative activity which entails working through others, organizing, motivating, culture building, and creating strong links between strategy and how the organization operates. It entails a process of converting the formulated strategies into viable operations that will yield the organization's targeted results. Delicate and sensitive issues are involved in strategy implementation, such as: resource mobilization, restructuring, cultural changes technological changes, process changes, policy and leadership changes.

A firm's strategy is implemented in a changing environment successful implementation requires strategic control ability to steer the firm through an extended future time. When sudden events happen, the internal implementation efforts, general economy and social development will be sources of change not anticipated or predicated. According to Byers et al (1996), the changes can be adaptive (calling for installation of known practices) innovative (introducing practices that are new to adopting organizations) or radically innovative (introducing practices new to all organizations in the same business or industry).

Thompson and Strickland (1998) argue that strategy implementation is all about acting on what has to be done internally to put formulated strategies in place thus ensuring that targeted results are achieved within the targeted framework of time.

Targeted results may be the expected levels of financial performance of an organization or the efficiency in service delivery especially for non-profit making organizations. This is necessary if such organizations are to remain competitive and relevant to current market trends. According to Aosa (1992) once strategies have been developed, they need to be implemented; they are of no value unless they are effectively translated into action. Strategy implementation is inextricably connected with organization change.

The changes made to the organization configuration (structure, processes, relationships, boundaries) present internal sources of challenges. Further, changes in the macro environment, the industry forces and the operating environment present external sources of challenges. The industry forces create intense competition, as opposed to what could often occur under a monopolistic environment. This underpins the importance of scanning the internal and external environment as an important analysis during strategic planning. The link between strategy planning and implementation coupled with communicating the strategy and allocation of resources to the plan all aim at minimizing challenges to implementation.

1.1.3 Challenges of Strategy Implementation

The particular challenges that will face strategy implementation will depend on the type of strategy, type of organization, and prevailing circumstances. Many challenges in strategy implementation can be avoided if strategy development is coupled with implementation.

The lack of understanding of a strategy and the inability to connect strategy formulation and implementation has an impact on successful implementation. Challenges of strategy implementation are also found in sources external to the organization. The macro-environmental forces such as the political-legal forces may hinder favorable legislative framework.

Further, political instability may impact negatively on strategy implementation by affecting political goodwill towards resources mobilization for the strategic plan. Civil unrest may destabilize the human resource competence and cause destruction of infrastructure meant to facilitate. The challenges arise from sources that are internal and external to the organization. Where there is a paradigm shift, changes do not implement themselves and it is only people who make them.

In the current turbulent economic times, firms in Kenya operate under increasing competitive and ever changing environment. People working in an organization sometimes resist such proposals and make strategies difficult to implement. Lynch, (2000) , Johnson and Scholes (2002) have extensively underscored the important resources in strategy implementation, but are quick to point out that they (resources) by themselves do not guarantee strategic success. Inadequacy of resources may imply inadequate funds, inadequate equipment and facilities, inadequate human resource skills and experience.

Strategic capability is, essentially, concerned with how these resources are deployed, managed, controlled and, in case of people, motivated to create competencies in those activities and business processes needed to run the business. Majority of documented challenges arising from sources internal to organizations are related to inappropriate systems utilized during the process of institutionalization and control of the strategy. The process of institutionalization relies heavily on the organization configuration that consists of the structures, processes, relationships and boundaries through which the organization operates. Johnson & Scholes (2002), Koyio (1999) aptly notes that the search for appropriate organizational structures have never incorporated a new activity at any point in time.

It dates back to the 1950s, Studies indicate 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). The macroeconomic factors may also impact on strategy implementation especially where economic sanctions and inflation interfere with the market share and hence overall profitability. The industry forces arising from the buyer's power, the supplier power and stiff rivalry from competitors may pose serious challenges.

The operating environmental forces compounded by pressure arising from stakeholders like creditors, suppliers, customers, shareholders, government and the local community can impose challenges that could impair strategy implementation.

1.1.4 The Limuru Constituency Development Fund

The CDF Fund is an annual budgetary allocation by the Central Government to each of the country's parliamentary jurisdictions the constituencies. The fund aims to control imbalances in regional development. Its aim is also to address and stimulate grass root development. It targets all constituency level development projects, particularly those aiming to combat poverty at the grassroots.

In essence, the fund provides individuals at the grassroots the opportunity to make expenditure and investment choices that maximize their welfare in line with their needs and preferences. The Constituency Development Fund (CDF) was established in 2003 through the CDF Act in the Kenya Gazette Supplement No. 107. Devolved funds are schemes in which national legislatures allocate public funds to local communities or districts for development projects. The fund is one of the Government's initiative aimed at transforming Kenya into a medium-income economy by 2030's and the attainment of the Millennium Development Goals.

The Constituency Development Fund is designed to enhance devolution of resources for equitable development in all parts of the country. It also provides a platform for local community to participate in determining development priorities in their constituency. It was introduced in 2003 through an act of parliament which was revised in 2007.

Limuru Constituency Development Fund (LCDF) has a development a Strategic plan to guide execution of development projects in the constituency Limuru Strategic plan (2009-2014).

The Limuru Constituency Development Fund was established through an act of parliament, which was gazette under Kenya Gazette Supplement No 107 (Act No.11) of January 2004. The Strategic Plan 2009- 2019 is a product of a highly participatory and inclusive consultation with stakeholders. The first draft was done in 2009 and the process of revising the current strategic plan commenced in April 2012 by Rehovot Consultant Limited. It involved Stakeholder forums including the Limuru Development Constituency LDC's, PMCs professionals from various sectors, politicians the constituency development fund committee, constituent and heads of government departments.

The process also saw extensive review of relevant documents such as Limuru District Development plan, Vision 2030 and Economic stimulus program. The draft was presented at a stakeholder's validation forum for validation. The Limuru Constituency Strategic plan (2009-2019) was revised in 2012. The Constituency Development Fund Committee completed the revision of the strategic plan is a ten-year road-map for sustainable socio-economic development of the constituency.

It is a culmination of consultative process involving stakeholders who included the CDFC, the technical experts & professionals from key Economic sectors, representatives from private sector, youth, women, religions organization as well as community leaders from across the constituency. It will guide the prioritization and implementation of development projects in the constituency.

The Strategic plan will guide development priorities of the CDF project and activities for ten year period. More specifically the Strategic plan will guide the LCDC Locations Constituency Development Committee look into the future and therefore provide an opportunity to influence future development, or assume a proactive development agenda. Provide better awareness of needs & priorities of the constituents helps define the overall mission of the LCDF and help lay focus on mandate of CDF. Give a sense of direction continuity and effective leadership.

Involve all the stakeholders in the operation of CDT and provide standards of accountability of allocated resource. Strategic plan- Implementation is the process that turns strategies and plans into plans into actions in order to accomplish strategic objectives. The successful implementation of Limuru Constituency Strategic plan will be guided by commitment, credibility & communication.

The current leadership has demonstrated up- front commitment in adherence to the full process of Strategic planning. Monitoring and Evaluation serve as a performance management control mechanisms.

Which test the practicability of the Strategic plan objectives during project implementation and following their completion. The systems of monitoring and evaluation also uncover challenges faced in implementation and allow room for adjustment. This process will also inform management of the level of attainment of the Strategic objectives. This will thus guide annual review of the Strategic plan.

1.2 Research Problem

The implementation process is one of the most important aspects of strategic management because without implementation, a strategy has no concrete existence, but is merely an abstraction..Pettigrew (1987) draws his explanation of what strategy implementation means by distinguishing the content of the strategy, the outer and inner contexts of an organization and the process in which strategic change is carried out. He, however, recognizes the fact that the content, the context and the process are interrelated and affect one another. On the same note, other researchers in this field of strategy implementation believe that organizations have no choice but to translate their formulated strategies into concrete processes that would ensure the success of their strategic visions (Daft, 2000).

A number of studies have been carried out identifying the challenges experienced by organizations experienced by organizations in implementing strategy Kiplangat,(2009) Mutuku,(2011) Ochieng,(2009).The focus of majority of these studies has been the implementation of strategy at the corporate and business unit level and point out indeed organizations can expect and will face challenges during strategy execution.

Muguni (2007) studied the role of executive development in Strategy implementation process and the factors affecting its implementation. Given the importance of these processes, the study therefore seeks to fill the gap by investigating factors affecting strategy implementation at the CDF Limuru office. Okumu and Roper (2008) note that despite the importance of strategy execution process, far more research has been on out into strategy formulation while very few have been done into strategy implementation.

Alexander (2001) observes that literature is dominated by a focus on long range planning and strategy content rather than the actual implementation of strategies, on which little is written or researched. The apathy to strategy implementation can be ascribed to several reasons, among them: greater likelihood of failures in implementing strategies; higher complexity in the process of strategy implementation strategy implementation being considered less glamorous than formulation and practical difficulties in research involving middle- level managers Alexander (2008) Rapa & Kauffman (2005).

The primary objectives are somehow dissipated as the strategy moves into implementation and the initial momentum is lost before the expected benefits are realized. Successful implementation is a challenge that demands patience, stamina, energy from the involved managers. The key to success is an integrative view of the implementation process Rapa&Kauffman (2005). Given the important role insurance industry play in the economy, it is crucial that the whole process of strategy formulation and implementation need to be successful.

Bartlett and Ghoshal(2000) found that in all companies they studied the issue was not a poor understanding of environment forces or inappropriate strategic intent. Without exception, they knew what to do their difficulties lay in how to achieve the necessary changes' Strikingly, organizations fail to implement about 70% of their strategies (Miller et al, 2004).

Another recent study is a bit less alarming; it says 40% of the value anticipated in strategic plan is never realized. CorboyO'Corrbui (2009) identified the deadly sins of strategy implementation which involve a lack of understanding of how the strategy should be implemented customers and staff not fully appreciating the strategy, unclear individual responsibilities in the change process; difficulties and obstacles not acknowledged, recognized or acted upon and ignoring the day-to-day business imperatives.

Therefore the study seeks to answer the following questions:

- (i) What challenges and factors that influence strategy implementation and the process of implementation.

1.3 Research Objectives

The objectives of the research were as follows:

To determine the factors and challenges facing strategy implementation at the CDF.

Determine how strategy implementation is done at the CDF

1.4 Value of the Study

The findings of this study highlight strategic management in CDF management in relation to other sectors and draw conclusion on how the various factors influence strategy implementation .It serves to benefit management consultants who endeavor to provide assistance to successful running of organization in implementation of strategies.Policy makers of the CDF will obtain documented information on the challenges facing the organization in its endeavor to come up with strategies and their implementation.The academic fraternity and researchers in this major economic sector will find new body of knowledge for possible application in their respective field.In addition, the study may stimulate interest that will lead to further research in related aspect in the field strategic management.

The recommendations of this study form part of action plan that help in enhancing good service delivery by the CDF. This is because management and the government will be to make informed decision on issues of implementations of strategies. The study will assist the C.D.F in the formulating policies on areas that necessitate strategic implementation. This is for the sole purpose gaining a competitive edge over other players in the Resource Industry.

It will enable management be more proactive in preparing and dealing with the challenges they face in strategy implementation. The study will also be of importance to future scholars in the field of social responsibility that is current gaining popularity among a majority of companies in all industries future scholars can use this to enrich on their finding.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter provides a discussion on Strategy, Strategy Implementation, factors influencing strategy, and how organizations address the strategy challenges. The review has been done from specifically on strategic activities in the state corporations.

2.2 Theoretical Review

Strategic Management comprises of various theories that support and effective management practices in modern competitive organization. Some of the theories that have been formulated include.

2.2.1 Resource Based View

Resource base strategy is about exploiting the strategic capability of an organization in terms of its resources and competences to provide competitive advantage and yield new opportunities. Penrose (2009) definition of the firm in terms of resources enables strategists to conceptualize the uniqueness of the firm in terms the specific resources that it commands. Resource especially managerial capabilities which are not easily copied by competitor organizations are the real source of innovation and value for a firm.

Its resources which define firms realize this enables growth and evolution, diversification, innovation. Firms always have more resources than they currently know as a result of changing experiences personnel and knowledge which are interrelated. The knowledge a firm includes can also be the basis for a knowledge based view of the firm. Essentially it is a combination of the management of resources as knowledge, and the imagination of the entrepreneur in enacting the environment for the firm, which limits its growth. A sustained competitive advantage depends on firm development unique combination of resources providing competencies that allow for flexible development in an uncertain and changing environment provides the formulation for the resource knowledge dynamic capabilities perspective that have increasingly been representing in major journals Penrose, (2009).

Resources tend to be either property based or knowledge based. Property based are legally defined property rights held by the firm such as physical plant, the right to the use of labor, finance, raw material and intellectual property. Other firms are unable to appropriate then rights unless they obtain the owner's permission contracts, patents or deeds of ownership protect property based resources. Knowledge based in contrast, the law does not protect knowledge based resource such as technical expertise or good relationship with trade unions, but they may still be difficult for other firms to access.

Barney(1991) assumes resources are distribution unevenly across firms and that is very difficult to transfer productive resource from firm to firm.It is an expensive and organization different task to achieve.Barney(1991) argues that a resource to be a secure basis for competitive advantage it must display four characteristics that are often referred to as the VRIN model.V- valuable in that the resource enables firm to produce a services in an efficient and effective manner to exploit opportunities and counter threats, R- in that few organizations possess the resource, I- imperfectly imitable in that it is difficult for competitors to copy the resource, N-non substitutable meaning that competitors cannot easily supply the resource in the market.

The VRIN model indicates how resource based theorist think competitive advantage is derived. If each VRIN condition is satisfied then there is the possibility of a resource providing a sustainable competitive advantage. Strategist should be looking inside the firm to discover the sources of competitive advantage.

2.2.2Dynamic Capability Theory

Dynamic Capability theory it is important to emphasis that an organization seeks to build competitive advantage it must have capabilities that are of value to customers. Are the processes of a firm that are able to reconfigure resources to respond to changes in the market place.

The term capabilities and resources are central to the resource base view the difference between resource and capability is not always drawn clearly. Foss and Erickson (1995) and Langlois& Foss (1997) draw the distinction.

Dynamic capabilities are the process of a firm that is able to reconfigure resources to respond to changes in the market place. The dynamic capabilities approach argues that it either resources or knowledge but intangible assets that matter most to companies. They include technological know-how, customer and business relationships, reputation, organizational culture and values. Teece, Pisano, Sheun (1997).

Mastery of dynamic capabilities is seen as a three – stage process, composed of sensing, seizing and managing. Sensing involves making innovative and creative sense from relation with customers, suppliers, as well as perceiving opportunities that may have potential in the operating and business environment. Think of the emergence of changes in regulatory and standard setting bodies for instance. Seizing means using something effectively, opportunities sensed but not seized are opportunities lost. The opportunity entails designing business model to satisfying protocols gaining access to capital, show business, leadership and commitment in delivering on the capabilities. Business model need to be able to identify those market segments to address and value proposition for customers, appropriate technological and product function and design a method for capturing value.

Managing mean maintaining a routine control of the capability opportunities seized but not managed are opportunities squandered efficient management of dynamic capability increased requires management outwith the enterprise.

2.3 Factors that Influence Strategy Implementation

Successful strategy implementation is interactive process of implementing strategies policies, programs and action plan that allow a firm to utilize its resources to take advantage of opportunities in the competitive environment. Harrington (2006).Strategy must be institutionalized or incorporated into a system of values, norms, roles that will help shape employee behavior making it easier to reach strategic goals. Strategy must be translated into specific policies, procedures, rules that guide planning and decision making by managers and employees.

The seven –S- model was proposed Mc Kinsey (1970) found that neglecting any one of the seven key factors could make the effort to change slow and painful or even a doomed process. A number of circumstances may dictate which of the factors will be driving force in the execution of any particular strategy.Systems this category consist of formal and informal procedures that allow the organization to function it includes capital budgeting, training, accounting, systems can overpower strategies and systems with strategy will seriously hinder successful implementation.

Further, excessive focus on financial and other numbers relevant to business performance, leads to the resultant plans likely to have serious distortions and be of little value in guiding implementation. On the other hand, managerial involvement, training and use of various investment evaluations criteria had mixed effects on success in implementing strategy.

Style refers not to personality but to the pattern of substance symbolic actions undertaken by top managers. It communicates priorities more clearly than words alone and may profoundly influence performance. Positions of authority and responsibility are important in strategy implementation, but also important are the people in those positions. These must be people or leaders who can influence action in the desired direction. The influence depends on the leader's personality, style, commitment, reputation, altitude and aptitude, skills and experience. The challenge is that no one form of leadership on its own is best during the implementation process.

Staff top managers devote time & energy to planning the progress and participation of existing manager use job assignment policies to actively foster the development of new managers. Strategy and Leadership is the moral and intellectual ability to visualize and work for what is best for the company and its employees. It can be interpreted simply as “getting others follow” or “getting people to do things willingly”.

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). Leadership is proactive, goal-oriented and focused on the management of constructive change. Structure today is complex and ever- changing environment a successful organization may make temporary structural change to cope with specific strategic tasks without abandoning basis structural division.

Throughout the organization. Mullins (2005) defines structure as tasks and responsibilities, work roles and relationships and channels of communications. It balances the need for specialization with the need for integration. It provides a formal means of decentralizing and centralizing consistent with the organizational and control needs of the strategy. Pearce & Robinson (2003).

The term skills are those activities organizations do best and are known for strategic changes may require organization to add one or more new skills. Strategic initiative that require the dismantling or revising of old skills pose even more difficult implementation problems. Communication and technology are some of the key support systems for routine activities. The efficiency and effectiveness of the routine activities often depend on communication and technology in the organization. Subordinate goals are captured in a mission statement this goal has a deep meaning within the organization.

They provide a sense of purpose and certain stability as other more superficial characteristics of the organization change. Audits to assess Human Resource requirements to support strategies identify goal setting and performance appraisals, reward systems, competencebased recruitment, training and development as key Human Resource activities known to enable successful strategy implementation. Performance management is not only essential but its processes should be adjusted to support changing strategies.

Strategy the model emphasizes that in practice the development of strategies pose less of a problem in the execution. Policies communicate guidelines to strategic decisions. They are designed to control decisions while in effect empowering employees to conduct activities without direct interventions by top management. Policies establish indirect control over independent actions by clearly stating how things are to be done. Since it is the operating managers who supervise implementation of policies, it is vital that middle managers are engaged with and committed to such strategies so that they can perform this translation process. Kazmi (2002).

Policies institutionalize basic aspects of organizational behavior. They counteract resistance to or rejection of chosen strategies by organization members. Communicating specific policies helps overcome resistance to strategic change and foster commitment to strategy implementation.

2.4 Challenges facing Strategy Implementation

Strategy must be institutionalized or incorporated into a system of values, norms, roles, that will help shape employee behavior each making it easier to reach strategic goals. Strategy must be translated into specific policies, procedures, rules, that guide planning and decision making by managers and employees. Challenges an organization increased volume and additional locations eventually create new challenge. This organization then becomes a unit firm with several field units and an administrative office to handle coordination, specialization, standards among the units.

Powerful stakeholders they are likely to react to propose changes should have already been built into the design choice made from the consideration of power as one contextual feature. Political and legal forces may hinder favorable legislative framework. Galpin (1998) indicated that political turbulence may well be the single most important issue facing any implementation process. Further, political instability may impact negatively on strategy implementation by affecting political goodwill towards resources mobilization for the strategic plan. Civil unrest may destabilize the human resource competence and cause destruction of infrastructure. The industry forces arising from the buyer's power, the supplier power and stiff rivalry from competitors may pose serious challenges.

The operating environmental forces compounded by pressure arising from stakeholders like creditors, suppliers, customers, shareholders, government and the local community can impose challenges that could impair strategy implementation.

Any vision developed of the future will encapsulate new structures, systems and ways of behaving that have to be put in place, but without consideration of existing barriers it is possible old ways can subsequently prove obstructive. The inability to connect strategy formulation and implementation has an impact on successful implementation. Where there is a paradigm shift, changes do not implement themselves and it is only people who make them happen Bryson (1995).

People working in an organization sometimes resist such proposals and make strategies difficult to implement (Lynch, 2000). This may further hinder implementation, especially where strategic and operational control systems do not detect and cause adjustment to changing environment documented challenges arising from sources internal to organizations are related to inappropriate systems utilized during the process of institutionalization and control of the strategy. Organization culture it is existing culture are the strongest barriers to the implementation of changes. If the existing organization culture and potential barriers to change are not understood from a technique culture. The way the organization and its members operate may continue to be driven by existing culture.

Studies indicate weak management roles in implementation, a lack of communication and commitment to the strategy, unawareness 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).

Self-interest issues to do with personal loss and cost of undertaking, personal changes such as loss of turf, loss of status, loss of promotional prospects, separation from long-standing colleagues. Winkler (1987) stated clearly that most barriers have been encountered fit one:

Too many and conflicting priorities, inter-functional conflicts, inadequate management development. Competing activities distracted attention from implementing this decision. Change in responsibilities of key employees was not clearly defined, Key formulators of the strategic did not play an active role in implementation and problems requiring top management involvement were not communicated early enough.

2.5 Strategy Formulation-Implementation & Execution

Despite the important role of strategy implementation, execution of strategy is often handled in a dismal manner and there are many cases where well thought out strategies have not been successfully carried out by organizations Blahova & Knapkova, (1987).

It can be therefore being argued as the biggest challenge to organization during execution leading to the question of how organizations can overcome obstacles experienced in the execution of strategy. By conducting a **SWOT** analysis of the environment can point to the threats that could impact the implementation process. Planning will assist the organization set realistic, reasonable and measurable goals that will give implementation phase momentum.

Serious strategy planning also involves coming up with a communication strategy that will counter resistance due to lack of knowledge or misinformation. Dane (2010) proposes that leadership must limit the focus of the organization on two to three significant actions and agree on what those top three goals are with clear communication to enable clear articulation of goals.

He proposes a team to identify the potential conflicts inherent in the achievement of top goals. Regular check-ins provides a framework for ensuring that staff accomplish their designated tasks and hold staff accountable for not achieving the set goals. Leadership is also important in strategy implementation mostly to determine the outcome of implementing strategy is mentioned in a number of studies. Beer & Eisentat (2000) Leadership is getting people to do things willingly. The leader of an organization must have the ability to convince people implementing the strategy buy into it.

Johnson & Scholes (2002) directly link successful strategy implementation to the unique characteristics, orientation and actions of the CEO. This is especially in the case of the strategy being implemented involves a major change (Musyoka, 2011).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter provides a discussion on the methodology that was used in the study. The sources of information, the types of data collected, the method of data collection that was used and the approach of data analysis that was adopted.

3.2 Research Design

The Research Design adopted was a case study. Case study is commonly used in policy research. A policy research is the process of conducting research on or analysis of a fundamental special problem in order to enable policy makers with action oriented recommendations for alleviating the problem (Majcharzak, 1987).

A case study includes a careful and complete observation of a social unit, a person, institution, family, cultural groups or entire community and emphasizes depth rather than the breadth of a study (Kothari (1990)). It is a very powerful form of qualitative analysis that drills down rather than wide (Kothari (1990)).

This design was employed because the objectives of the study required an in depth understanding of implementation process and its challenges at CDF.

3.3 Data Collection

The study utilized both primary and secondary data. Secondary data was drawn from the CDF strategic plan, internal circulars, journals, newsletters, and CDF websites. Primary data was obtained through personal interviews. The Interview guide was used because it was easier to analyze since it is in an immediate usable form and allows the researcher to corroborate the information with collected data from secondary sources

According to Cooper and Schindler (2001) this kind of data collection is appropriate as it ensures that all data is comprehensive. The type of Data collected was qualitative; the respondents were department heads from the Legal department, ICT department, Business Development, Human Resource Accounts department at the CDF.

3.4 Data Analysis

Data was analyzed using content analysis. Hosti (1969) defines content analysis as any technique for making inferences by objectively and systematically identifying specified characteristics and messages. Content analysis is a research tool used to determine the presence of certain words or concepts within texts or sets of texts.

The presence, meaning and relationships of such words and concepts were analyzed. Inferences were drawn from the messages within text to help expose strategy implementation and its challenges at the CDF.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter focuses on the analysis and interpretation of data collected for this study. Data Analysis breaking down data into constituent parts so that it answers to research questions can be obtained while interpretation focuses on studying the data for meaning and implication (Des Voss, 1998). The study was done by use of detailed interview guides. The total number of persons interviewed were five, the response rate of 100%. The study had two main objectives, firstly to determine the challenges faced by the C.D.F in their Strategic plan implementation, and secondly to establish how.

4.2 Strategic Management Practice

The study indicated that the C.D.F Limuru practices strategic management. It has a Strategic plan that spans from 2010- 2019. The organization has a mission and vision. The Respondents are aware of the existence of the strategic plan. The respondents frequently attend seminar and workshop to enlighten them more on the strategic plan are informed about it.

4.3 Evidence of Strategy Implementation

The organization has both short term and long term objectives. Most of the staff were more informed on the short-term objectives because of the current update unlike the longterm objectives were considered more of Top management agenda because of the powerful stakeholders who influence business at the C.D.F.

The short term objectives they were aware of them, they indicated that objectives existed because they were more lessambiguous andless distinguishable and fluctuate in the order of priority depending on the government ever changing political agenda. It was further established that the top management were responsible for setting the long term objectives, Government policies and directives denied them the freedom to optimize performance executes development objectives. This indicates that management lacks the free hand in developing & executing the intended objectives.

The Respondents were asked to indicate if their departments had functional strategies. It was found out that departments in this organization had functional strategies that guide activities. The Respondents were divided on the source of strategies, with some saying that the strategies from the stakeholders and others were influenced by politicians however it was revealed that the department has a specialized strategy in line with the strategy plan. The study also sought to establish to establish if the C.D.F had altered the policies with the launch of the strategic plan (2010-2019). The data collectedreveals that the stakeholders and firm changes did not enhance strategy implementation, as it was established that the present policies don't adequately support organization's strategy implementation.

4.4 Extent of Strategy Implementation of documented strategies

The study sought to establish the extent to strategy implementation. The results indicated both the success of the C.D.F and the challenges. Results illustrate both in equal share.Poor implementation can attributed to a number of factors.

Although the C.D.F was designed to consider local needs and preferences a number of concerns have been raised about the weak institutional framework supporting the C.D.F, its lack of transparency, and ultimately that it does not address sufficiently the political imperfections that distorted political incentives to serve equally all the poor.

The implication is that the organization lacks leadership managers were not keen on figuring out what needs to be done nor are they capable of developing & pushing corrective actions to improve strategy execution. Further findings also indicate that the organization lack autonomy due the government interference and MP's involvement in the government. It is also very evident the powerful stakeholders interfere a lot in affairs.

4.5 Strategy Implementation Challenges

4.5.1 Organizational challenge

The study sought to find out whether organization structure was considered an important an important factor to strategy implementation.

A strategic plan acknowledges that implementation of these strategies will require fundamental changes to the structure of the C.D.F. According to senior managers the structure doesn't provide a clear cut delineation of responsibilities without overlaps duplication or gaps. Poor implementation of strategy was attributed to a highly polarized environment whose appointment of the top management is highly influenced by powerful stakeholders who interfere with affairs due to bureaucracy. The organization performance is based on ensuring a fit between strategy and structure.

4.5.2 Reward and Motivation challenge

It was important to establish whether the organization considered reward policy important to implementation of the strategies documented. The respondent indicated that reward policy was key to strategic management. On whether reward and motivation was a challenge to the implementation of strategies documented on the issue of remuneration the staff was well compensated the only challenge it differed of rank to rank.

The reward systems at the C.D.F are tied to the ability to implement strategies work plans and performance contract based on targets, the respondents further indicated that the staff was not motivated to support strategic initiatives because of disparity in reward systems which leads to demoralization.

4.5.3 Resistance to change challenge

The research sought to establish whether resistance to change was a problem to strategy implementation at the C.D.F. Resistance was rated very highly and this was due to ineffective communication, change process, lack of opportunity for employees to internalize strategic plan and failure to build a case for the strategic plan. There is also resistance from other employees and stakeholders, people working in an organization make strategy implementation an up hill task.

4.5.4 Leadership/ Management Commitment Challenges

On whether top management commitment was a challenge to strategy implementation. The respondents were of the opinion that management was a big challenge to the process of implementation. Both leadership and management, focus relies on the top echelon who influence a group towards the achievement of goals. Good leadership has strategic vision and is persuasive at implementing strategy to achieve tangible results.

The respondents were of the opinion that indeed management was a big challenge to the process due to rigidity and the failure to embrace new ideologies and innovative technology in business was a challenge. It was further established that management had a limited say when it came to the execution of objectives. As they were expected to follow the governments directives to the letter, and which sometimes contradicted the intended objectives. In order for successful implementation to take place the C.D.F management has to work in union to push for corrective actions. Further findings indicate power wrangles between units and existence of government interference.

4.5.5 Communication challenges

Respondents were keen to point out the challenge of lack two-way communication mostly between the top management and the employees. The respondents indicated while the top management was fully immersed in strategy formulation of operational plans the lower level employees and some middle level managers who are involved in actual

implementation of the strategy were merely assigned responsibilities derived from the strategic plan by immediate supervisor.

The Organization should strive to communicate clearly to all levels of staff involved. To promote levels of commitment and involvement of the whole organization at all levels.

4.5.6 Environment uncertainty challenge

The C.D.F operates in a macro- environment shaped by influences that emanate from all spheres. The environment is ever changing and is very dynamic and requires constant change. The macro-environmental forces such as the political-legal forces may hinder favorable legislative framework.

Further, political instability may impact negatively on strategy implementation by affecting political goodwill towards resources mobilization for the strategic plan.

Civil unrest may destabilize the human resource competence and cause destruction of infrastructure meant to facilitate. Some policies & practice impede implementation for instance the procurement act hence hindering completion with those organizations operating under the private sector and which are not bound by such regulations & rules. Decision making is also delayed and influence by political patronage.

4.5.7 Corporate Culture Challenge

The Corporate culture of the C.D.F is described as highly political internal environment in which many issues get resolved and decisions made on the basis of which individual or

groups have the most –political clout carry the day. It a major challenge to promoting a market driven approach of accountability and transparency.

The respondents confirmed that attitude is still a challenge as employee fail to appreciate and recognize their responsibility, accountability and role as process drivers. The findings are in line with organizations that are able to understand the culture and align it to strategy usually perform more successfully than those strategy and culture that are not aligned C.D.F culture is therefore not aligned to strategy.

4.5.8 Human Resource Challenges

The respondents indicated that the C.D.F considers Human Resource as critical to strategy implementation. The need to motivate staff and recognize their input which can be done by recognizing their contribution and need to provide adequate training to staff in roles in strategy implementation to enhance their competence in handling demanding tasks. When for allocating budgetary allowances it ought to incorporate human resource to ensure realization of the set goals.

4.5.9 Resource Allocation Challenges

On the question as to whether resource allocation was considered important to strategy implementation. The respondents strongly indicated that resource allocation was important to implementation of documented strategies .the resources were pointed out as financial resource, human resource and technological resource.

4.5 .10 Employee Training Challenges

In order to reap the rewards of strategic implementation, training is mandatory for top management which assists them in better understanding of the strategic plan. Seminars, on job training facilitate this because the focus on change management which is very crucial. Employee training enhanced the ability of successful strategy implementation

4.6 Addressing Strategy Implementation Challenges by the CDF

The study sought to establish how the C.D.F addresses challenges encountered during implementation. The results revealed that effectiveness of strategy implementation is at least in part, affected by the quality of people involved in Govindarajan (1989). The quality of skills, attitudes, capabilities, experiences and other characteristics of people required by a specific task or position. The management should be competent so as to ensure good strategy, objective, achieve strategic awareness, manage resistance to strategy implementation, giving a clear guidance sustain vigorous strategy implementation, giving a clear guidance.

Sustain vigorous strategy implementation efforts, align structure to strategy, envision change for future competence and critically assess current strategy. In addition, trickle down effect of leadership is currently being encouraged. Positive attitude towards leadership towards strategy implementation it is suggested requires sound mechanism for directing activity and behavior, especially including effective communication systems as well as appropriate strategic and management controls.

On some of the challenges that surface during strategy implementation that had not been anticipated. The research found the political turbulence was the most important issue facing any implementation process. Other challenges include supporters of the Strategic decision leaving the organization during implementation, systems breakdown, underestimated of commitment, time, and emotion energy needed to overcome inertia in their organization and translate plans into action.

Galbraith (1980) indicated the most companies attempting to develop new organization capacity stumble over these common organization hurdled competence co-ordination and commitment. On the challenges posed by customer & staff not fully appreciating the process of strategy implementation they faced challenges of criticism, lack of co-operation, on the impact of poor communication and diminished feelings of ownership and commitment by employees to strategy implementation found that resulted to delayed results, wastage of resources, loss of business, rejection of strategy de-motivation, lack of commitment to new ideas.

Giles (1991) found that there six areas of vital importance to long term successful strategy implementation. These areas are environment, adaptability, market, people, finances, operation. The possible solution to challenges of strategy implementation at the CDF. Continuous training on how the strategy should be implemented involvement of staff in decision making consider piloting before rolling it out to everyone, appraise achievements, sharing responsibility, official communication, and defined and clear process flow.

The research further found that the challenges posed by the inadequacy of information – systems used to monitor strategy implementation include the implementation have been may lead to loss of opportunities, lack of timely, feedback, false report on progress and consequently ultimate failure. Stiles (2001) claimed that a strategic change can be successfully implemented through a four- stage process. Assess the organizational capabilities and behavior needed to move from what the organization needs to become determine what work processes would be required to implement the strategy and design work processes to fit those requirements.

CHAPTER FIVE

SUMMARY CONCLUSION&RECOMMENDATION

5.1 Introduction

The chapter presents a summary of the data findings; discussions, conclusion and recommendation of strategy implementation at the CDF. The conclusion and Recommendation were based.

5.2 Strategy Plan

The findings of the study reveal that the CDF Limuru have a Strategic plan (2010- 2019), which contains a vision and mission. The respondent could not recall all the contents of the vision/ mission but were aware of its existence.

5.3 Extent of Strategy Implementation

The study sought to find out the extent to which CDF Limuru has implemented the formulated strategies. The findings indicate that the overall organization performance in strategy implementation was commendable. The numbers of completed projects were five which were priority due to their impact in the provision of social amenities. The results indicate that the organization is experiencing inadequate availability of financial resource, lack of machinery and gadgetry, unsupportive culture as well as interference from government and other stake holders, environmental factors.

The results show government involvement remains a big challenge managers are hindered by bureaucracy and power struggles between them and the powerful stakeholders who have a say in the running of affairs. The strategy should be compatible with the organization structure it enables the positioning of the firms to enable it execute strategy. CDF should lobby for its own mandate to run its affairs independently.

5.4 Strategy Implementation Challenges

The CDF has a myriad of challenges when it comes to the implementing of the Strategy. It is constrained when it comes to the building of organizational capability supportive of the strategy. The CDF is a state corporation which is not autonomous so from time, interference is a constant issue. Given that the powerful stakeholders place restrictions, which curtail the ability of matching competencies and capabilities with the strategy. In order to yield positive results in Strategy Implementation there's need to create a tight fit between the internal policies and strategy and the organizational skills competences.

This could be between the internal policies and strategy and corporate culture. If the fit is tight then the strategy is most likely to be achieved. The CDF lacks adequate resources structure and support systems, politics, culture and rewarding systems. The Strategic plans which often lead to the failure of Strategy Implementation.

However the CDF operates under strict restrictions and is expected to emulate the competitive private sector and operate competitively notwithstanding they do not operate as freely as the other private organizations. Being a State Corporation it runs in a very volatile environment influenced by political upheaval the formation of the Grand Coalition Government, however provides opportunity for strong Leadership, return to political stability and re-focus on the Country's development agenda. Mistrust however still remains amongst the political parties that could scuttle previous gains. Finally, the constitutional review process may result in a change in the way devolved funds are distributed and managed.

5.5 Addressing Strategy Implementation challenges by the CDF

The third objective of the study was to establish how C.D.F addresses its challenges it encountered while implementing strategies. It was noted that plans are underway for creating more channels of communication. This encourages input from employees and soliciting questions. More Gadgetry is also in the process of being sourced. On financial constraints, the organization will liaise with the CDF board to increase the rations allocated for every financial year to cover all projects. CDF Limuru further aligning of its structures to strategy.

Further relevant policies, systems and procedures are currently underway to enable it respond to the liberalized environment. However it may not be immediate the Strategic plan (2010-2019) was launched it may take time to roll-over all the changes in the plan.

5.6 Conclusion

Strategy Implementation remains to be most difficult of Strategic planning process & Strategic fail at the Implementation stage be a tight fit. Between Strategy and Organizational skills and competences strategic and corporate culture strategy and reward systems, strategy, environment, internal policies. In the absence of all of the above, will lead failure of strategy at the Implementation stage. All the supportive strategy aspects of an organization are critical and must be aligned to strategy in order to achieve successful strategy implementation. The organization must also put in-place mechanisms & methods of overcoming challenges of strategy implementation.

This should be done formulation as strategy implementation is about managing change & resistance to change, the faster corrective action are initiated during implementation, it more likely problems could be resolved earlier before they adversely impact on the company. The delay in addressing the issues with corrective measures will adversely affect strategy impact on the company. The delay in addressing affect strategy implementation at C.D.F

5.7 Limitation of study

Financial constraints, scarcity of resources are the salient factors of this study. A large sample would have produced a representative position of the organization. The study involved the head of departments. Similarly some current mid level staff joined at the stage of formulation of the current strategic plan, so may not be aware of all the aspects of the strategic plans.

5.8 Recommendation for policy& practice

The CDF Constituency Development Fund operates the law it very evident the organization needs to give autonomy to its own affairs independently especially in a free hand to source for resources, financial and technological resource, formulate strategy supportive policies, procedure, support systems and design its own reward and motivational structure. The administration and legal policies, circulars and statute need to be in cognizance of the commercial basis of the entity. The CDF should lobby for autonomy from its powerful stakeholders because its current status as a state corporation is responsible for it being exposed to restriction which result in poor implementation in a changing environment.

The government together with the CDF must change their expectations. The top management of the CDF should not be an impediment of strategy; the recommendation is that they should ensure teamwork and effective sharing of responsibilities.

The organization skills and competence, the internal policies and strategy, corporate culture and strategy, procedure and support system, reward and strategy. The tighter the fit the more powerful the strategy execution and more targeted performance can be achieved.

5.9 Suggestions for Further Research

There is a need to undertake further research in strategy implementation in Other CDF constituencies. A cross- sectional study should be taken to enable a comparison can be between CDF constituencies. A study can be carried out to establish the impact of government involvement and its regulations on management of this organization in the area of Strategic Implementation.

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APPENDIX I: INTRODUCTION LETTER



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
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P.O. Box 30197
Nairobi, Kenya

DATE.....

TO WHOM IT MAY CONCERN

The bearer of this letter


Registration No.....

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.


PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS



APPENDIX II: INTERVIEW GUIDE

Kindly answer the following questions as accurately as possible. Your answers shall be treated with utmost confidentiality and used for academic purpose only. In no instance shall your name or that of your department be divulged.

SECTION A: BACKGROUND INFORMATION

- 1.State your gender.....
- 2.State your designation/department
- 3.The total number of years in service.....

SECTION B

4. How is strategy implementation done at CDF.....
5. What does it take to implement strategy at the CDF.....
6. What strategy implementation tools are used at the CDF.....
7. Are there sufficient resources for successful execution of the implementation process.....

SECTION C

8. What are the factors that affect strategy implementation at the CDF.....
9. What is the role of management in strategy implementation at the CDF.....
10. Does the staff at the CDF participate in the implementation process.....
11. How is change management done at the CDF.....
12. What is the effect of communication systems on strategy implementation at the CDF.....

13. How does management control ensure strategy implementation process.....
- 14 .In your own opinions what should be done during the strategy implementation process to ensure the effects the factors have on the process are minimized.....

SECTION D

15. What strategic implementation challenges do you encounter during the of strategy implementation.....
16. What are some of the challenges that surface during strategy implementation that had not been anticipated.....
17. Are too many and conflicting parties in the company that challenge successful strategy implementation.....
18. What are some of competing activities that cause distinction inhibiting strategy implementation.....
19. What are the challenges posed by customer and staff not fully appreciating the strategy on strategy implementation.....
20. What are the challenges posed by the inadequacy of information- systems used to monitor strategy implementation.....
21. What is the impact of poor communication and diminished feelings of ownership and commitment by employees to strategy implementation.....
22. What are the challenges used by ineffective co-ordination and poor sharing of responsibilities of strategy implementation activities.....
23. What are the possible solutions to the challenges of strategy implementation at the CDF.....