

**FACTORS AFFECTING STRATEGY IMPLEMENTATION
AT FAMILY BANK LIMITED, KENYA**

BY:

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

SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI

2014

DECLARATION

This research project is my original work and has not been submitted for examination to 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

This project is dedicated to my family for support and encouragement throughout the period.

ACKNOWLEDGEMENTS

I acknowledge the power of God, the maker, and the provider of knowledge for enabling me to complete my MBA in the right spirit. Most importantly, I sincerely wish to acknowledge the support from my supervisor Dr.Yabs without whom I could not have gone this far with my project work. To the University of Nairobi community for providing me the opportunity to study and all my lecturers who contributed in enhancing knowledge, I owe you my gratitude.

To you all, God bless.

ABSTRACT

The challenges of the modern business environment and fast changing global economy demands high productivity speed and flexibility for organizations that seeks to thrive. In order to achieve the required efficiency and effectiveness, organizations must change their structure strategically. Strategy which is a fundamental management tool in any organization is a multi-dimensional concept that various authors have defined in different ways. It 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. The objective of this study is to analyze the factors affecting strategy implementation at Family Bank Limited, Kenya. The study was designed as a case study and primary data was obtained through interactive interviews of senior management from key divisions, middle level managers and staffs in marketing, Human Resource, Finance, administration, operations and customer relations departments at Family Bank Limited. The qualitative data collected was analyzed using content analysis technique. The study established that strategy implementation at Family Bank is mainly influenced by commitment of the top management, communication process, coordination of activities and organizational culture. The study also established that Effective communication is important for successful implementation of strategy at the Family Bank. Communication helps the managers to perform the basic functions of strategic management which include planning, organizing, motivating and controlling. Further, the study established that coordination helps to improve the efficiency of operations by avoiding overlapping efforts and duplication of work. Integration and balancing of individual efforts provide a smooth and harmonious team work and organizational culture influences leadership style of managers, understanding of strategy implementation, identification of difficulties and obstacles during implementation, how managers make decisions and the dominant values, beliefs and norms. In conclusion, coordination enables an organization to rake optimum use of its resources. Thus, a well-coordinated organization can attract, retain and utilize better personnel. This improves human relations by reconciling individual and organizational objectives, helps to ensure unity of action in the face of disruptive forces and fosters loyalty and commitment among employees. The study recommends that top managers should ensure that all stakeholders are involved in strategy implementation; enhance the interest of all stakeholders in strategy implementation; always give direction and guidance through different phases of strategy implementation; prioritize their objectives, put resources at employees' disposal, explain the processes and, above all, transmit the vision to the implementing team; must be able to pick out the people and teams best able to move the project forward; encourage the staff during strategy implementation. The study also recommends continuous monitoring of strategy implementation, development of an integrated communications plan, the need to build a culture that supports strategy implementation and further research on strategic management approaches adopted by banks in Kenya. The study recommends further research on strategic management approaches adopted by banks in Kenya. The further research will complement the findings of this study by providing information on how different management approaches influence strategy implementation in banks.

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LIST OF ABBREVIATIONS

ATM: Automated Teller Machine

CBK: Central Bank of Kenya

KBA: Kenya Bankers Association

KCB: Kenya Commercial Bank

PWC: Price Waterhouse Coopers

UK: United Kingdom

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The challenges of the modern business environment and fast changing global economy demands high productivity speed and flexibility for organizations that seeks to thrive. In order to achieve the required efficiency and effectiveness, organizations must change their structure strategically. These can be achieved by retaining the best of their traditional structures while embracing radically new structures that leverage the human capital and adds value to the customers (Pearse and Robinson, 2011).

Organization design can be considered to be a strategic tool for executing business strategy. The management should consider it pertinent in designing structures that enables implementation of strategic goals in order to suit the demand of its market place, customers and business model. With increased competition, rapid technological advancement, shifting economic regulations and increased demand on non price competitive advantage most companies have been compelled to review their business strategies. The magnitude speed and impact of change are greater than ever before, new production processes and services have emerged (Burnes, 2004).

Organizations seem to have difficulties in implementing their strategies. However, researchers have revealed a number of problems in strategy implementation which include: weak management roles in implementation, a lack of communication, lacking a 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 (Galpin, 1998; Lares-Mankki, 1994; Beer and Eisenstat, 2000).

Strategy implementation has attracted much less attention in strategic and organizational research than strategy formulation or strategic planning. Alexander (1991) suggests several reasons for this: strategy implementation is less glamorous than strategy formulation, people overlook it because of a belief that anyone can do it, people are not exactly sure what it includes and where it begins and ends. Furthermore, there are only a limited number of conceptual models of strategy implementation.

As part of its strategy Family Bank has defined its customer and its target market as the small and medium income earners of the society. The key areas identified in the strategy revolve around the bank's infrastructure, quality of customer service, innovative products to capture the targeted market, and the acquisition of the right skills and creating new organisational structure. Family Bank has in the last two years been nominated by the government to spearhead disbursement of youth fund across the country, no doubt a boost to its strategy. The bank has also developed other microfinance products among them business loans top Micro and SME sector. The products have fitted well with its focus strategy.

1.1.1 Concept of Strategy Implementation

Strategy which is a fundamental management tool in any organization is a multi dimensional concept that various authors have defined in different ways. It 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 (Thompson S, 1993). It

is meant to provide guidance and direction for the activities of the organization. The purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment (Pearce and Robinson, 2007). Johnson and Scholes (2002), view strategy as the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a changing environment, and fulfill stakeholder's expectations.

Strategic management is, hence, both a skill and an art. Good strategic management requires both clear thought and sound judgment. Strategic management is the formal and structured process by which an organization establishes a position of strategic leadership. Strategy development is a multidimensional process that must involve rational analysis and intuition, experience, and emotion. But, whether strategy formulation is formal or informal, whether strategies are deliberate or emergent, there can be little doubt as to the importance of systematic analysis as a vital input into the strategy process. Without analysis, the process of strategy formulation, particularly at the senior management level, is likely to be chaotic with no basis for comparing and evaluating alternatives. Moreover, critical decisions become susceptible to the whims and preferences of individual managers, to contemporary fads, and to wishful thinking (Hill and Jones, 2001; Galpin, 1998; Beer and Eisenstat, 2000).

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. 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). Although the least frequent in this study in many cases the information systems used to monitor implementation were not adequate.

1.1.2 Factors affecting strategy implementation

Beer and Eisenstat (1996) propose three essential factors for successful implementation. First of all, the change process should be systemic. This means that both the human and systemic aspects of the organization should fit with each other in the organization. This is a very important point. It is easy to imagine a situation in which severe motivation problems would arise in effect of a lack of interest in one of these aspects. The second factor is the condition that the change process should encourage the open discussion of barriers to effective strategy implementation and adaptation. All impediments to strategy should be taken in to account and the most reliable way to get the best information is to include the largest possible number of the organization’s members into the discussion. This brings us to the third factor proposed by the authors, which tells us that the change process should develop a partnership among all relevant stakeholders (Campbell & Goold 2000)

Beer and Eisenstat have elsewhere (2000) catalogued a group of relevant, inhibiting factors to strategy implementation and learning. The factors are: a top-down or laissez-faire management style, unclear strategy and conflicting priorities, an ineffective senior management team, poor vertical communication, poor coordination across functions, plus inadequate down-the-line leadership skills and development. The authors seem to clearly

acknowledge the need for large-scale communication as well as at least partial participation and on the other hand leadership and organizational integrity. The factors proposed by Beer and Eisenstat are present in a survey done by Alexander (1985). The major problems present in strategy implementation: the implementation taking more time than allocated, unanticipated, major problems surfacing during implementation, poor coordination, competing activities, lacking competencies, etc. speak of a poor fit between human resources and the organizations structure and systems as well as poor vertical communication in both directions.

Alexander goes on promoting five guidelines to overcome the problems, not unlike those proposed by Beer and Eisenstat. They are: communication, starting with a good concept, providing sufficient resources, obtaining employee commitment and developing an implementation plan (Beer and Eisenstat, 2000). Noble (1999b) in turn speaks of barriers to effective implementation. The physical distances hindering the necessary, cross-functional collaboration in the organization form physical barriers. Turf barriers are the other side of this coin, representing the differing interests of the distinct units. Interpretive barriers are formed by the different ways different units interpret and comprehend the strategy. Personality barriers reflect the personal characteristics of key personnel, as well as between different groups in the organization's hierarchy. Another important barrier is that of varied goals amidst the organization and its units. Noble's perspective, therefore, is that of the organization as consisting of different units and functional groups. His novel contribution to the discussion of effective implementation is that for effective implementation the strategist must create unofficial communication networks (Noble 1999).

1.1.3 The Banking Sector in Kenya

Beyond a country's legal system, banking and financial institutions have also been connected with economic growth, albeit in a multitude of potentially contradictory ways. Three possible connections between financial development and economic growth exist: 1) financial development is a determinant of economic growth, 2) financial development follows economic growth, and 3) there is bidirectional causality between finance and growth (Furqani, 2009). While it is difficult to isolate banking as an exogenous variable, attempts to do so have yielded results that show banking's function as a transmitter of financial legal obligations does, in fact, have an impact on growth.

The Banking industry in Kenya is governed by the Companies Act, the Banking Act, the Central Bank of Kenya Act and the various prudential guidelines issued by the Central Bank of Kenya. The banking sector was liberalized in 1995 and exchange controls lifted. The CBK, which falls under the Minister for Finance docket, is responsible for formulating and implementing monetary policy and fostering the liquidity, solvency and proper functioning of the financial system (PWC, 2012).

As at December 2008 there were forty six banking and non bank institutions, fifteen micro finance institutions and one hundred and nine foreign exchange bureaus. The banks have come together under the Kenya Bankers Association (KBA), which serves as a lobby for the banking sector's interests. The KBA serves a forum to address issues affecting members. Over the last few years, the Banking sector in Kenya has continued to grow in assets, deposits, profitability and products offering. The growth has been mainly underpinned by an industry wide branch network expansion strategy both in Kenya and in

the East African community region. Automation of a large number of services and a move towards emphasis on the complex customer needs rather than traditional ‘off-the-shelf’ banking products (PWC, 2012).

Players in this sector have experienced increased competition over the last few years resulting from increased innovations among the players and new entrants into the market. Among these innovations include moving from the traditional decentralized banking to one branch banking that has been enabled by integration of various business functions (PWC, 2012). In order for commercial banks in Kenya to maintain brand leadership and customer loyalty, they employ various strategies such as introduction of unique products and instating on good customer relations management.

1.1.4 The Family Bank Limited

The Family Bank (formerly Family Finance Building Society) was registered as a Building Society in October 1984 in Kenya, under the Building Societies Act and commenced operations in the early 1985. Family Finance Building Society converted into a fully fledged bank in May 2007 and the main driver for our conversion was the need to offer a wider range of products and services to our customers. From only one branch in 1985, Family Bank now has 30 branches across Kenya complete with ATMs and anticipates growing the number to over 45 branches countrywide by the end of 2008, covering all major towns in Kenya (Family Bank, 2008).

Family Bank is owned by over 7000 shareholders who are all Kenyan. The bank plans to list in the Nairobi Stocks Exchange as a way of giving more investors an opportunity to invest in it. The bank has been on a steady rise of its asset base, customer deposits and

profitability. Today the bank has an asset base of over Kshs 6.6 billion with a capitalization of over Kshs 1.1 billion, making it a significant player in the banking industry. The bank recorded a profit of over Kshs 49 million in the 2007 financial year (Family Bank, 2008).

As part of its strategy Family Bank has defined its customer and its target market as the small and medium income earners of the society. This market consists of three broad segments based on the customers' sources of income. These are; the small scale commercial farmers who include the tea farmers, coffee farmers, dairy farmers, pyrethrum farmers, grain farmers (includes maize, wheat and barley), fisheries etc, small and medium entrepreneurs who include those commonly referred to as business people and include both informal and formal business enterprises; waged employees from both private and public sectors (Family Bank, 2008).

The key areas identified in the strategy revolve around the bank's infrastructure, quality of customer service, innovative products to capture the targeted market, and the acquisition of the right skills and creating new organisational structure. Family Bank has in the last two years been nominated by the government to spearhead disbursement of youth fund across the country, no doubt a boost to its strategy. The bank has also developed other microfinance products among them business loans top Micro and SME sector. The products have fitted well with its focus strategy.

1.2 Research Problem

Strategy which is a fundamental management tool in any organization is a multi-dimensional concept that various authors have defined in different ways. It 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 (Thompson S, 1993). Johnson and Scholes (2002), view strategy as the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a changing environment, and fulfill stakeholder's expectations. Beer and Eisenstat have elsewhere (2000) catalogued a group of relevant, influential factors to strategy implementation. The factors are: a top-down or laissez-faire management style, unclear strategy and conflicting priorities, an ineffective senior management team, poor vertical communication, poor coordination across functions, plus inadequate down-the-line leadership skills and development.

The Family Bank has been very instrumental in employment creation in the country. It has contributed immensely to the economic growth by effectively participating in the financial sector. From the time in the 80's when the bank started as a building society the bank has come a long way to become a significant player the banking industry especially with regard to its microfinance orientation. Several studies have been done on the strategies that the banks have employed over time (Aaltonen and Ikåvalko, 2002, Bourgeois and Brodwin, 1984). However, no study has been done to explore the challenges encountered in strategy implementation by banks in Kenya.

Local studies have been done on the factors affecting strategy implementation. For instance, Kiptugen (2003) did a study to determine the strategic response of Kenya Commercial Bank to a changing competitive environment. Since the study focused mainly on strategies that can be adopted in a competitive environment; the study did not cover the processes involved in strategy implementation and challenges in the implementation phase. Muturi (2005) on the other hand did a study to determine the strategic responses of

Christian churches in Kenya to changes in the external environment. This study focused on a different context and concept from what the current study seeks to cover. Kamanda (2006) also did a study on Kenya Commercial Bank (KCB) with the objective of determining the factors that influence its regional growth strategy. His study, however, does not cover the issues of strategy implementation. Situma (2006) also covered KCB but focused on its turnaround strategy. Muguni (2007) studied the role of executive development in strategy implementation. His was a comparative study of KCB and National Bank of Kenya. The study also did not capture the process of strategy implementation process and the factors affecting its implementation.

Given the importance of these processes, this study therefore sought to fill the gap guided by the following research question: what are the factors that influence strategy implementation in Family Bank Kenya?

1.3 Research Objective

The objective of this study was to examine the factors affecting strategy implementation at Family Bank Limited, Kenya.

1.4 Value of the study

The findings of this study will be of value to Kenyan firms and organizations experiencing turbulent times. The insights on strategic responses by a successful firm can offer lessons and make both anticipation and management of change by these firms better. To Family Bank, this study will be more of an evaluation on how the organization has dealt with strategy implementation, while highlighting the influencing factors. An evaluation will

enable the organization to recognize faults and room for improvement to make its future experiences better.

The policy makers, regulators and government in general will have an opportunity to understand the changes that are in current business environment particularly in Family Bank and perhaps improve it to facilitate appropriate responses as we enter regional and global markets which are competitive.

Scholars and researchers will also find the results of this study useful for further research on influence of various specific factors on strategy implementation in an organization. This will help in compilation of data that will enhance development of efficient organization strategies based the identified factors. The study shows the significance of processual theory for banks on how to adapt to the market environment. It also creates emphasis on strategies to integrate patterns and stream of actions and decisions in strategy implementation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents review of relevant literature on strategy implementation. Section 2.2 presents the concept of strategy implementation; section 2.3 presents the dynamic model of the strategy process; and section 2.4 presents assessing the effectiveness of strategy implementation and lastly, section 2.5 provides factors affecting strategy implementation.

2.2 Theoretical Framework

Several theories explain the significance of strategy implementation among banks. This section discusses theory of strategic management adapted from Whittington's generic schools of deterministic emergent strategy (Whittington, 2001) and the dynamic model of the strategy process (Lindblom 1959).

2.2.1 Processual theory

Processual theory view strategy as a pattern in a stream of actions and decisions which emerge as a result of pragmatic processes of forecasting, learning and compromise (Mintzberg, 1987). Proponents of this theory believe that strategy emerges, and may only be clearly defined after the event has occurred. Strategy is conceived out of action in response to current and anticipated events.

The Approach was laid by American Carnegie School (Cyert & March, 1963). It focused on the complexity within an organization. They argue that rational long-term planning is ineffectual due to unpredictable behaviour of people and unpredictable business

environment – unlike classicists. They believed that human nature is flawed and organizations and markets are wrought with confusion and mess. Under this perspective, the micro- political view implies that firms not only made up of its single goals, but also pluralist individualist's interests – unlike the classicists and evolutionists.

According to Cyert and March (1963), people are too different in their interests, limited in their understanding, wandering in their attention, and careless in their actions to unite around and then carry through a perfectly calculated plan. When more than one view point involved in strategic process, members of the organization bargain between themselves to arrive at a set of goals that is acceptable to them all.

Proponents of processual theory focus on the interactions amongst context, culture and process within the organization. Strategy implementation influenced by a processual view should take into account issues of context, culture and process. The processual view recognizes that, although in each organisation strategy may differ, general patterns can emerge. Adjustments may be incremental and are made in a manner which is sensitive to the organization business environment. Alignment results from internal shared culture, rather from specific applications or uses of strategy. Both the internal and external context as well as historical context is important. Organizational process must be geared towards providing competitive advantage.

2.2.2 The Dynamic Model of the Strategy Process

Several theorists have recognized a problem with this static model of the strategy process: it is not how strategy is developed in real life. Strategy is actually a dynamic and interactive process. Some of the earliest challenges to the planned strategy approach came

from Linblom in the 1960s and Quinn in the 1980s. Lindblom (1959) claimed that strategy is a fragmented process of serial and incremental decisions. His study viewed strategy as an informal process of mutual adjustment with little apparent coordination. Quinn (1978) developed an approach that called "logical Instrumentalism". It claimed that strategic management involves guiding actions and events towards a conscious strategy in a step-by-step process. Managers nurture and promote strategies that are themselves changing. In regard to the nature of strategic management he says: "Constantly integrating the simultaneous incremental process of strategy formulation and implementation is the central art of effective strategic management."

Mintzberg (1987) made a distinction between deliberate strategy and emergent strategy. Emergent strategy originates not in the mind of the strategist, but in the interaction of the organization with its environment. He claims that emergent strategies tend to exhibit a type of convergence in which ideas and actions from multiple sources integrate into a pattern. A particularly insightful model of strategy process dynamics comes from Moncrieff (1999) who recognized that strategy is partially deliberate and partially unplanned, though whether the resulting performance is better for being planned or not is unclear. The unplanned element comes from two sources: "emergent strategies" result from the emergence of opportunities and threats in the environment and "Strategies in action" are ad hoc actions by many people from all parts of the organization.

2.3 The Concept of Strategy Implementation

Ansoff (1999) views strategy in terms of market and product choices. Porter (1996) has defined strategy as a creation of a unique and vulnerable position of tradeoffs in

competing, involving a set of activities that neatly fit together, that are simply consistent, reinforce each other and ensure optimization of effort. Pearce and Robinson (2007) defines strategy as the company's "game plan" which results in future oriented plans interacting with the competitive environment to achieve the company's objectives.

Johnson and Scholes (2002), view strategy as the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a changing environment, and fulfill stakeholder's expectations. Strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision-making, or as a result of complete coalitional involvement of implementation staff through a strong corporate culture. More recent articles confirm notable barriers to successful strategy implementation about which there appears to be a degree of accord including Beer and Eisenstat's (2000) "six silent killers of strategy implementation" These comprise: 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).

Al Ghamdi (1998) replicated the work of Alexander (1985) in the United Kingdom (UK) and found that 92 percent of firms implementation took more time than originally expected, that major problems surfaced in 88 percent of companies, again showing planning weaknesses. He found the effectiveness of coordination of activities as a problem in 75 percent and distractions from competing activities in 83 percent cases. In

addition key tasks were not defined in enough detail and information systems were inadequate in 71 percent of respondents. What is interesting is that there is congruence between these findings, which implies that lessons have still not been learned; as Al Ghamdi states, “the drama still continues” (Al Ghamdi, 1998).

2.4 Assessing the Effectiveness of Strategy Implementation

From a corporate governance researcher's perspective and also from the point of rating agencies and the individual shareholder, the question of interest which builds on the preceding discussion is: how effective boards are in monitoring the implementation of the firm's intended strategy, and how can this be measured? As previously outlined by Huse and Gabrielsson (2004), action research would be best suited to assess how effective board members are in fulfilling the previously discussed role in strategy implementation. One major difficulty corporate governance researchers face, however, is that the chance for participatory observations is an exception rather than the rule (Pettigrew, 1992). The reasons for these difficulties lie in the confidentiality of strategic issues as well as the fact that today's increased legal accountability of board members makes them even less inclined to allow researchers to observe their behavior. Under the premise that only few researchers have opportunities to observe interactions between board members and between board members and executives, which could give an indication for their effectiveness in guiding strategy implementation, alternative methods are required for empirical investigations.

To address this problem, it seems appropriate to draw on the knowledge of research areas, which have specialized in dealing with strategy processes, their development and impact.

It can therefore be proposed to look at the field of strategy process research that centers on the investigation of strategy formulation, implementation and strategic change (Van de Ven, 1992). A review of the evolution of the field of strategy process research reveals that it faced identical issues in its development. Akin to corporate governance researchers, scholars in the field of strategic decision making observed that “real time studies of strategy process are difficult.

2.5 Factors affecting strategy implementation

To successfully improve the overall probability that the strategy is implemented as intended, senior executives must abandon the notion that lower-level managers have the same perceptions of the strategy and its implementation, of its underlying rationale, and its urgency and instead, they must believe the exact opposite. They must not spare any effort to persuade the employees of their ideas (Rapa and Kauffman, 2005).

Chakravarthy and White, (2001) suggest that education and training policies depend on a firm’s management culture and forms of management-led organizational change. While such policies are affected by a firm’s market, production technologies and strategic goals, managers have the discretion to pursue varied strategies regarding three issues: entry-level education and training, employee development, and company-school relations. His survey of 406 firms in 1991 indicates those two management characteristics, innovation commitment and resistance to change, and two forms of management-led organizational change, firm downsizing and work redesign, shape education and training strategies.

Kamanda (2006) suggests that employee performance, absenteeism, innovation, turnover and satisfaction may be gauged by the degree of workers’ commitment to the company.

Corporate loyalty, as affected by corporate restructuring, cultural differences and labor-management relations, is analyzed. Nutt, (1995) points out that subtle changes taking place in the attitudes of employees towards working, their employers, and their lives are requiring companies to change their personnel management techniques accordingly to motivate their employees and instill them with commitment.

2.5.1 Effect of Communication Process in Strategy Implementation

At first look, the suggestion that communication aspects should be emphasized in the implementation process seems to be a very simple one. Even though studies point out that communication is a key success factor within strategy implementation (Miniace and Falter, 1996), communicating with employees concerning issues related to the strategy implementation is frequently delayed until the changes have already crystallized.

In this context, many organizations are faced with the challenge of lack of institution of a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy. In addition to inability to solicit questions and feedback, lack of communications cause more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees, and, furthermore, cover the reason behind changed circumstances (Alexander, 2006).

Lares-Mankki (1994) examined the effects of top management's practices on employee commitment, job satisfaction, and role uncertainty by surveying 862 insurance company workers. Five management practices are analyzed: creating and sharing an organizational goal, acting as a role model, encouraging creativeness, providing support for employees,

and allowing employee participation in making job-related decisions. The results indicate that there is a strong relationship between top management's actions and employees' attitudes and perceptions.

2.5.2 Co-ordination of Activities in Strategy Implementation

So far in the review of literature on strategy implementation there is evidence of some recurring themes, including coordination which is essential to ensure that people across the organization know what to do and to ensure that they stay focused on the key targets under the everyday pressures. Strategic control systems provide a mechanism for keeping today's actions in congruence with tomorrow's goals.

Al Ghamdi (1998) replicated the work of Alexander (1985) in the UK and found that for most of the firms, due to lack of coordination, implementation took more time than originally expected and major problems surfaced in the companies, again showing planning weaknesses. He found the effectiveness of coordination of activities as a problem in most of the firms and distractions from competing activities in some cases. More recent articles confirm notable barriers to successful strategy implementation about which there appears to be a degree of accord including Beer and Eisenstat's (2000) who assert that silent killers of strategy implementation comprise unclear strategic intentions and conflicting priorities and weak co-ordination across functions.

2.5.3 Effect of Organizational Culture

One of the major challenges in strategy implementation appears to be more cultural and behavioral in nature, including the impact of poor integration of activities and diminished

feelings of ownership and commitment (Aaltonen and Ikåvalko, 2002). Marginson, (2002) contend that strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision-making, or as a result of complete coalitional involvement of implementation staff through a strong corporate culture. In organizations adopting the cultural model that emphasizes a lower level employee participation in both strategy formulation and implementation there is separation of “thinkers” and “doers”. It seeks to implement strategy through the infusion of corporate culture throughout the firm. The cultural model contradicts and challenges the basic objectives from the economic perspective of a firm (Parsa, 1999).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out various stages and phases that were followed in completing the study. The following subsections are included; research design, target population, data collection and instruments and finally data processing analysis.

3.2 Research Design

This study was conducted as a case study. An intense and comprehensive study will be conducted on factors affecting strategy implementation at Family Bank. This focus enabled the researcher to cautiously study the order of events as they occurred or to concentrate on identifying the relationships among functions, individuals or entities (Robison, 2003). Case studies place more emphasis on a full contextual analysis of fewer events or conditions, and their inter relations (Cooper & Schindler 2006).

3.3 Data Collection

Primary data source was used in this study where data was obtained through interactive interviews. According to Mugenda and Mugenda (2008), primary data refers to data that the researcher collects from respondents while secondary data refers to data from other sources like records and documents, thus primary data is considered more reliable and up to date. The main instrument of data collection in this study was an interview guide. In-depth interviews also encourage capturing of respondents' perceptions in their own words, a very desirable strategy in qualitative data collection. Targeted interviewees comprised of senior

management from key divisions including some middle level managers who are directly involved in strategy implementation in the bank. In this study data was collected from staffs in marketing, Human Resource, Finance, administration, operations and customer relations departments.

3.4 Data Analysis

Data analysis is the whole process, which starts immediately after data collection and ends at the point of interpretation (Kothari, 2004). The nature of data collected was qualitative and was therefore be analyzed using content analysis technique. This is a technique of making inferences by systematically and objectively identifying specific characteristics of messages as the basis to relate trends (Nachmias and Nachmias, 1996).

It captures a qualitative picture of interviewees, concerns, ideas, attitudes and feelings. In addition, it provides valuable historical and cultural insights through analysis of texts. Chelagat (2012), Tito (2012) and Ochieng (2012) successfully used qualitative analysis in their research studies.

CHAPTER FOUR

DATA ANALYSIS RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis and interpretations of the data collected. The objective of this study was to analyze the factors affecting strategy implementation at Family Bank Limited, Kenya. The respondents comprised of senior management from key divisions including some middle level managers who are directly involved in strategy implementation in the bank. Data was also collected from staffs in marketing, Human Resource, Finance, administration, operations and customer relations departments.

4.2 Top Management Commitment and Strategy Implementation at Family Bank

The study established that top management commitment influences strategy implementation at Family Bank. Majority (75%) of the respondents stated that top management at Family Bank support of strategy implementation. The following subsection presents the study findings on top management commitment and strategy implementation at Family Bank.

4.2.1 The Administrative Aspects of Strategy Implementation

The study established that manager's role in the implementation process is to lead and keynoting the tone: pace, and style of strategy implementation. There are many ways to proceed. A strategy implementer can opt for an active, visible role or a low-key, behind the scenes role. He or she can elect to make decisions authoritatively or on the basis of

consensus, to delegate much or little, to be deeply involved in the detail of implementation or to remain aloof from the day-to-day problems. It is up to the strategy implementer to decide whether to proceed swiftly (launching implementation initiatives on many fronts) or to move deliberately, content with gradual progress over a long period.

Successful strategy execution depends greatly on good internal organization and competent personnel. Building a capable organization is thus always a top strategy implementation priority. Three organizational issues stand out as dominant: developing an internal organization structure that is responsive to the organizational needs; developing the skills and distinctive competences in which the strategy grounded and; seeing that the organization has the managerial talents, technical expertise, and competitive capabilities it needs and selecting competent people for key positions.

4.2.2 The importance of top managers in strategy implementation at Family Bank

The top management's commitment to the strategic direction is important and managers must not spare any effort to persuade the employees of their ideas for strategy implementation to be effective. Lack of manager's commitment to their roles leads to the lower ranks of employees not supporting strategy implementation. The top managers must demonstrate their willingness to give energy and loyalty to the implementation process for it to succeed.

The study established the following responsibilities for top management in strategy implementation at Family Bank: set and communicate policies and objectives throughout the organization, raising awareness, motivation and involvement, ensure a focus on

customer requirements throughout the organization and, ensure that appropriate processes are implemented to meet customer requirements and organizational objectives.

The top managers also: ensure that an effective and efficient quality management system is established, implemented and maintained to achieve these quality objectives, ensure that adequate resources are provided to meet the organization's objectives, regularly review the effectiveness of the management system, its policies and objectives, decide on actions regarding the quality policy and quality objectives and, decide on actions for improvement of the quality management system.

4.2.3 The role of top managers in matching organization structure to strategy

The study established following procedure which serves as a useful guide for fitting structure to strategy: pinpoint the key functions and tasks requisite for successful strategy execution; reflect on how the strategy-critical functions and organizational units relate to those that are routine and to those that provide staff support; make strategy-critical business units and functions the main organizational building blocks; determine the degrees of authority needed to manage each organizational unit, bearing in mind both the benefits and costs of decentralized decision making and; provide for coordination among the various organizational units.

Top managers pinpoint the key functions and tasks requisite for successful strategy execution. In any organization, some activities and skills are always more critical to strategic success than others are. The strategy-critical activities vary according to the particulars of a firm's strategy and competitive requirements. To help identify what an organization's strategy-critical activities are, two questions can usefully be posed: What

functions have to be performed, extra well and on time for the strategy to succeed? and In what areas would mal performance seriously endanger strategic success? The answers to these two questions should point squarely at what activities and skills are crucial and where to concentrate organization-building efforts.

Management has the responsibility to understand the relationships among activities during strategy implementation. Activities can be related by the flow of information through the implementation process, the type of customer served, the distribution channels used, the technical skills and know-how needed to perform them, a strong need to centralize authority over them, the sequence in which tasks must be performed, and geographic location, to mention some of the most obvious ways. Such relationships are important because one (or more) of the interrelationships usually become the basis for grouping activities into organizational units. If the needs of strategy are to drive organization design, then the relationships to look for are those that link one piece of the strategy to another.

Management group activities in the strategy implementation into organization units. If activities crucial to strategic success are to get the attention and visibility they merit, then they have to be a prominent part of the organizational scheme. When key functions and critical tasks take a backseat to less important activities, the politics of organizational budget making usually leads to them being given fewer resources and accorded less significance than they actually have. On the other hand, when they form the core of the whole organization structure, their role and power in the overall scheme of things is highlighted and institutionalized. Senior managers can seldom give a stronger signal as to what is strategically important than by making key function and critical skills the

most prominent organizational building blocks and, further, assigning them a high position in the organizational pecking order. The management determines the degree of authority and independence to give each unit in the strategy implementation process. Activities and organizational units with a key role in strategy execution should not be made subordinate to routine and non-key activities. Revenue-producing and results-producing activities should not be made subordinate to internal support or staff functions. With few exceptions, decisions should be delegated to those managers closest to the scene of the action. Corporate-level authority over operating decisions at the business-unit level and below should hold to a minimum. The crucial administrative skill is selecting strong managers to head up each unit and delegating them enough authority to formulate and execute an appropriate strategy for their unit.

The management coordinates the units in the strategy implementation process. Providing for coordination of the activities of organizational units is accomplished mainly through positioning them in the hierarchy of authority. Managers higher up in the pecking order generally have authority over more organizational units and thus the power to coordinate, integrate, and otherwise arrange for the cooperation of the units under their supervision. The chief executive officer, the chief operating officer, and business-level managers are, of course, central points of coordination because they have broad authority. Besides positioning organizational units along the vertical scale of managerial authority, coordination of strategic efforts can also be achieved through informal meetings, project teams, special task forces, standing committees, formal strategy reviews, and annual strategic planning and budgeting cycles. Additionally, the formulation of the strategic plan itself serves a coordinating role; the whole process of negotiating and

deciding on the objectives and strategies of each organizational unit and making sure that related activities mesh suitably help coordinate operations, across organizational units.

4.2.4 Measures to enhance top managers' commitment to strategy implementation at Family Bank

The top managers should ensure that all stakeholders are involved in strategy implementation. Strategic implementation of any kind of new organizational policy or program requires participation from all of the departments that will be affected. Organization's leadership needs to identify what those departments are and create an implementation team that consists of representatives from each affected group. Management needs to create a structure that identifies various group leaders, the responsibilities of those group leaders and an accountability system that insures that the implementation team meets its timetable for getting the new program or policy in place.

The top managers should enhance the interest of all stakeholders in strategy implementation. Implementing change or any new strategy within an organization requires a feeling of urgency on the part of the entire company. It is the job of management to create that urgency by explaining to the staff why the implementation is necessary. Leadership needs to help the employees understand how the company benefits from the new implementation, but it also needs to get the organization to see the setbacks of not making a change.

The top managers should always give direction and guidance through different phases of strategy implementation. Implementing a corporate strategy or change is often done in

phases. The company leadership needs to be able to identify when each phase of a strategic implementation is complete and be ready to transition the organization to the next phase. For example, if the company is bringing in a new software program for customer management, then the first phase of the program may be to implement it in the sales department. Management needs to identify when the proper alterations to the software have been made that will allow it to be implemented in other parts of the organization.

Strategic implementation begins with setting goals and communicating these to workers. Managers should prioritize their objectives, put resources at employees' disposal, explain the processes and, above all, transmit the vision to the implementing team. Communicating well means the employees comprehend the strategies and are able to put them into action.

Proper delegation helps guarantee a smooth implementation of business strategy. The manager charged with strategic implementation must be able to pick out the people and teams best able to move the project forward. Leading the implementation requires taking pains to discover and test the abilities gifts of the staff. The manager should establish mini-leaders over various segments of the process who understand the scope of the implementation. These people will report directly to the overall manager and will be responsible for guiding their own groups. The manager should pick enthusiastic, imaginative and people-oriented employees for these roles.

The management should encourage the staff during strategy implementation. The manager's attitude will prove contagious for the staff. If the manager is energetic and willing to give his/her best to the organization, others will follow suit. When encouraging the staff, managers need to be a consistent role model who stays on tasks, works to solve

problems and keeps to a schedule. The manager encourage employees to emulate their behavior without having to lecture them on what how to act and perform in the workplace. For example, if the manager is always on time and get to work quickly on the implementation process, the staff will understand the need to do so as well. Besides, the manager should create a culture of encouragement by praising hard work, passionate exhibitions and creativity in individual efforts. The staff will appreciate the recognition.

There is a need for continuous monitoring of strategy implementation. Strategic implementation within an organization is not an exact process. It is a dynamic procedure that needs to be monitored by management and altered to meet implementation goals. It is the responsibility of leadership to put a monitoring system in place, analyze the data that is being generated during the implementation and make any necessary changes to make the implementation more efficient. Managers should ask questions while observing what employees do in order to understand all the processes involved, ask group leaders for weekly progress updates, keep abreast of the problems that arise and handle them expeditiously, document the process carefully so you and others can refer to the literature for future ventures, be flexible. If something does not work well in the way it has been designed, managers should find other avenues or something that works better. However, managers should always take care not to micromanage employees as they monitor the processes but instead be an involved leader who joins in the work to make it better.

4.3 Communication Process and Strategy Implementation at Family Bank

The study established that communication process and strategy implementation at Family Bank. Majority (96%) of the respondents stated that there is effective communication at Family Bank. The following sections present the study findings on the importance of communication in strategy implementation and how the communication process affects strategy implementation at the Family Bank.

4.3.1 Communication during strategy implementation at the Family Bank.

The study established that before the launch of the strategy at the Family Bank, plans for communication are prepared that include what will be communicated, when, by whom and at which events. A key issue is the ability to manage communication about the strategy as part of the implementation process. There are a number of ways of communicating information during strategy implementation at the Family Bank. These can be divided into five categories as shown in Table 4.1:

Table 4. 1: Communication categories and medium during strategy implementation

Communication Category	Example of Communication Medium
Intrapersonal	Internal communication (what an individual think of strategy implementation process)
Interpersonal	One to one, small group, emails, telephone calls and other activities that allow personal listening and response during strategy implementation
Organizational	Lectures, seminars, debates, meetings, memos, intranets, newsletter, workshops, displays
Community	Local radio, talks, seminars, debates, local newspapers, bill boards
Public Media	Newspapers, television, radio, internet, mobile phones

4.3.2 The Importance of Communication in Strategy Implementation at the Family Bank

The study established that effective communication is important for successful implementation of strategy at the Family Bank. Communication skills whether written or oral form the basis of any business activity. Communication helps the managers to perform the basic functions of strategic management which include planning, organizing, motivating and controlling.

Communication serves as the foundation of every facet of strategy implementation at the Family Bank. Thus communication is the building block of the organization and the study established the benefits of effective communication skills in strategy implementation. Communication keeps the foundation of motivation in the strategy implementation process. It helps the employer to know how a job is being performed and to improve performance if it is not up to the mark. Communication acts as a source of information and helps in the decision making process and helps in identifying the alternative course of action during strategy implementation. Communication also helps in building people's attitude. A well informed person will always have better attitude than a less informed person. Different forms of communication like magazines, journals and meetings will help the employees to form different attitudes on strategy implementation.

In the current business scenario, no business can survive in isolation. Socializing is very important and communication is the tool that helps in socializing. The employees learn of successes and challenges of strategy implementation in similar organizations. Apart from the other functions of management, communication also helps in the controlling process of

management and in particular strategy implementation. It allows the managers to know about the grievances of the subordinates and helps the subordinates to know about the policies of the organization. Communication is instrumental in raising the morale of the employees during strategy implementation. It is through communication, verbal or non-verbal, that people submit different feedback and requirements to the management of strategy implementation process.

The study established that communication is a basic tool for motivation, which can improve morale of the employees in an organization. Inappropriate or faulty communication among employees or between manager and his subordinates is the major cause of conflict and low morale at during strategy implementation. Manager has the responsibility to clarify to employees about what is to be done, how well they are doing and what can be done for better performance to improve their motivation. The managers can prepare a written statement, clearly outlining the relationship between company objectives and personal objectives and integrating different interest during strategy implementation.

Effective communication of information and decision is an essential component for management-employee relations during strategy implementation. The manager cannot get the work done from employees unless they are communicated effectively of what he wants to be done. The manager should also be sure of some basic facts such as how to communicate and what results can be expected from that communication. Most of management problems in strategy implementation arise because of lack of effective communication. Chances of misunderstanding and misrepresentation can be minimized with proper communication system.

With effective communication, management can maintain a good human relation in the organization. By encouraging ideas or suggestions from employees or workers and implementing them whenever possible, he/she facilitates strategy implementation.

4.3.3 Measures to enhance effective communication in strategic implementation at family Bank

The study established that effective communication in strategy implementation at family Bank can be achieved through development of an integrated communications plan. An integrated communications plan is essential both during and after implementation of strategy to ensure efficient flow of information to all units in a timely fashion.

There should be a two-way-communication program during strategy implementation. The organization being faced with the challenge of lack of a two-way-communication program that permits and solicit questions from employees about issues regarding the formulated strategy experience slow implementation of strategies. The lack of a two-way-communication cause harm to strategy implementation as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees.

Communication in strategy implementation can be improved by clearly outlining the extent and scope of strategic change and the approaches outlined in the related policy document. It is through the communication that employees submit their work reports, comments, grievances and suggestions to their seniors or management. Organization should have effective and speedy communication policy and procedures to avoid delays, misunderstandings, confusion or distortions of facts during strategy implementation and to establish harmony among all the concerned people and departments.

4.4 Coordination of Activities and Strategy Implementation at Family Bank

The study established that coordination of activities is a major factor in strategy implementation at Family Bank. Majority (95%) of the respondents stated that Family Bank has good coordination of activities during strategy implementation.

4.4.1 The role of Coordination of Activities in Strategy Implementation at Family Bank

The study established that coordination of activities plays an important role in delivery of organizational directives during strategy implementation. Coordination is important to a new strategy or directive that must be relayed to managers and employees. Family Bank encourage coordination among decision makers to implement a new strategy according to plan. Coordination include a briefing regarding the step-by-step process during strategy implementation. Without coordination, a manager could inadvertently take action that derails the organizational strategic direction.

Integration and coordination are important at Family Bank because they demonstrate the ability of the management to lead employees. Coordination of activities is important because when managers are not on the same page with one another and fail to implement company strategy, employees lose faith in the managerial abilities of their superiors. For example, if employees have questions regarding their role toward achieving a directive and the managers at the company cannot answer those questions because of coordination issues, employees may disregard managers and rely on their own approaches.

Different branches of Family Bank require coordination to communicate the strategic direction and ensure effective implementation. Branches that lack integration and coordination risk failing to achieve organizational goals. Employees who lack direction take longer to complete tasks. Additionally, an employee may perform work that overlaps with that of another employee because their efforts were not coordinated. Integration and coordination lapses eventually affect the strategy implementation.

4.4.2 The benefits of Coordination of Activities in Strategy Implementation at Family Bank

The study established a number of benefits of coordination of activities in strategy implementation at Family Bank. Coordination helps to improve the efficiency of operations by avoiding overlapping efforts and duplication of work. Integration and balancing of individual efforts provide a smooth and harmonious team work. Coordination is a creative force which makes possible a total result which is greater than the sum of individual achievements. This is the synergetic effect coordination. Coordination enables an organization to rake optimum use of its resources.

Besides promoting the efficiency of operations, coordination improves the morale and job satisfaction of employees. Composite and orderly effort established through team spirit and executive leadership enables employees to derive a sense of security and personal contentment from their job. A well-coordinated organization can attract, retain and utilize better personnel. Coordination improves human relations by reconciling individual and organizational objectives.

Coordination helps to ensure unity of action in the face of disruptive forces. By welding together different departments and sections into one entity, coordination ensures the stability and growth of an organization. It enables the executives to see the enterprise as a whole instead of narrow sectional goals. Individual interests are subordinated to the common interest more easily and effectively.

Coordination fosters loyalty and commitment among employees. This enhances the effectiveness and stability of the organization. According to the respondents if job satisfactions are present, the staff will feel that they have a place in the organization. They will feel that they have earned that place. The presence of coordination becomes part of their job experience and hence can form a very useful part of their participation in strategy implementation.

4.5 Organizational Culture and Strategy Implementation at the Family Bank

Majority of the respondents (78%) stated that the organizational culture the Family Bank is supportive of strategy implementation. The respondents stated that organizational culture influences leadership style of managers, understanding of strategy implementation, identification of difficulties and obstacles during implementation, how managers make decisions and the dominant values, beliefs and norms.

Organizational culture includes the shared beliefs, norms and values that sets the foundation for strategy. For a strategy within an organization to develop and be implemented successfully, it must fully align with the organizational culture. Thus,

initiatives and goals must be established within an organization to support and establish an organizational culture that embraces the organization's strategy over time.

4.5.1 Ways in Which Organizational Culture Influence Strategy Implementation

The study establishes that organizational culture influence flexibility and adaptability, organizational stability, goal unification, process implementation and cultural alignment. Organizations that remain flexible are more likely to embrace change and create an environment that remains open to change. This provides a model that welcomes cultural diversity and helps clarify strategy implementation. Culture within an organization can serve many purposes, including to unify members within an organization and help create a set of common norms or rules within an organization that employees follow.

A stable culture, one that will systematically support strategy implementation, is one that fosters a culture of partnership, unity, teamwork and cooperation among employees. This type of corporate culture will enhance commitment among employees and focus on productivity within the organization rather than resistance to rules and regulations or external factors that prohibit success.

Flexible, strong and unified cultures affect implementation in a positive manner by aligning goals. Goals can come into alignment when the organizational culture works to focus on productivity and getting the organization's primary mission accomplished. This may include getting products delivered to customers on time, shipping out more products than the organization's chief competitor or similar goals. This will create a domino effect in the organization that ensures that all work performed by each individual in the company and work group focuses on performance and on the strategic importance of the company. This

allows culture to align with strategy implementation at the most basic level. For this level of unification to work, goal setting must align with and be supported by systems, policies, procedures and processes within the organization, thereby helping to achieve strategy implementation and continuing the cultural integrity of the organization.

Part of cultural alignment and strategy implementation involves process implementation. Processes include utilizing technology to facilitate goal attainment and the results a company is looking for when working with customers to meet their needs. While most of the time the hard problems and needs of an organization get met, the culture becomes neglected in the process. That is where processes come into place and strategy implementation gradually comes into existence to uphold and maintain organizational culture and strategies.

When culture aligns with strategy implementation, an organization is able to more efficiently operate in the global marketplace. Culture allows organizational leaders to work both individually and as teams to develop strategic initiatives within the organization. These may include building new partnerships and re-establishing old ones to continue delivering the best possible products and services to the market

4.5.2 Measures to facilitate of strategy implementation though organizational culture

Organization need to build a culture that supports strategy implementation. Organizations should give employees a reason to care about the customers, colleagues, and about how to do business right in a world that rewards cutting corners and compromising values.

During a transformation/change management/turnaround, an organization should not focus exclusively on distinguishing it from the competition but find what brings it together. It may be values, a vision, or a set of shared emotions. Organizations should articulate this sense of unity well and the strategy implementation will succeed.

Business leaders need to be aware that culture is not just something that happens outside of a business. A culture can happen spontaneously within a company and managers can learn how to harness its power or be overpowered by it. Managers can also take an active part in shaping an organizational culture, to try to ensure that it benefits the company's goals and its employees.

4.6 Discussion of the study findings

The study established that top management commitment influences strategy implementation at Family Bank. The top management's commitment to the strategic direction is important and managers must not spare any effort to persuade the employees of their ideas for strategy implementation to be effective. The manager's role in the implementation process is to lead and keynoting the tone: pace, and style of strategy implementation. Viseras, Baines, and Sweeney (2009) findings indicate that strategy implementation success depends crucially on the human or people side of project management. Hrebiniak (2006) find that the process of interaction and participation among the top management team typically leads to greater commitment to the firm's goals and strategies. This, in turn, serves to ensure the successful implementation of the firm's chosen strategy.

The responsibilities for top management in strategy implementation include to: set and communicate policies and objectives throughout the organization, raising awareness, motivation and involvement, ensure a focus on customer requirements throughout the organization and, ensure that appropriate processes are implemented to meet customer requirements and organizational objectives.

The study established that communication process and strategy implementation at Family Bank. The study established that before the launch of the strategy at the Family Bank, plans for communication are prepared that include what will be communicated, when, by whom and at which events. A key issue is the ability to manage communication about the strategy as part of the implementation process. Communication also helps in the controlling process of management and in particular strategy implementation. It allows the managers to know about the grievances of the subordinates and helps the subordinates to know about the policies of the organization. Communication is instrumental in raising the morale of the employees during strategy implementation. It is through communication, verbal or non-verbal, that people submit different feedback and requirements to the management of strategy implementation process. Communication is a basic tool for motivation, which can improve morale of the employees in an organization. Effective communication of information and decision is an essential component for management-employee relations during strategy implementation.

The study findings is similar to that of Peng and Litteljohn (2001) who show that effective communication is a key requirement for effective strategy implementation. Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation. In fact, communication is pervasive in every

aspect of strategy implementation, as it relates in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an effect on the process of implementation.

Coordination of activities is also a major factor in strategy implementation. Coordination is an all-inclusive concept or the end result of the management process. Management is nothing more than coordination of all activities, efforts and forces that affect the organization from within and without. Coordination serves as a key to all managerial functions. The first test of a business administration should be whether you have a business with all its parts so coordinated, so moving together in their closely knit and adjusting activities, so linking, inter-locking, inter-relating, that they make a working unit that is not a conglomeration of separate pieces, but a functional whole or integrated unit.

Coordination leads to improved interpersonal and inter-group relations; because they create advance approaches in dealing with problems that emanate from intra-link and cross-cultural contexts in relation to an organization (Kramer 2010). A special focus on coordination gives a good answer to the question of performance. The more efficient coordination is in all levels of administration, the common outcome, cohesion, will be reached in a more efficient manner; because coordination is a tool of cohesion (Viinamäki 2004). Every activity in an organization requires coordination of a variety of functions within and between firms (Enright 1992) in order to avoid complexities and unintended losses. Coordination has been linked to trust, because coordination creates the network through which organizational performance is understood (Lehtimäki 1996). According to Ronen, Friedman and Ben-Asher (2007), a number of factors influence the growing

flexibility of the work place and the work schedule but it is coordination that plays the role of a balancer in this flexibility.

Another factor that influences strategy implementation is the organizational culture. For a strategy within an organization to develop and be implemented successfully, it must fully align with the organizational culture. Thus, initiatives and goals must be established within an organization to support and establish an organizational culture that embraces the organization's strategy over time. Organizational culture influences leadership style of managers, understanding of strategy implementation, identification of difficulties and obstacles during implementation, how managers make decisions and the dominant values, beliefs and norms.

Organizational culture influences flexibility and adaptability; organizational stability; goal unification; process implementation; and cultural alignment. Organizations that remain flexible are more likely to embrace change and create an environment that remains open to change. A stable culture, one that will systematically support strategy implementation, is one that fosters a culture of partnership, unity, teamwork and cooperation among employees. This type of corporate culture will enhance commitment among employees and focus on productivity within the organization rather than resistance to rules and regulations or external factors that prohibit success. Marginson, (2002) contend that strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision-making, or as a result of complete coalitional involvement of implementation staff through a strong corporate culture.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the discussion of the study findings, the conclusions and recommendations. The objective of this study was to analyze the factors affecting strategy implementation at Family Bank Limited, Kenya.

5.2 Summary of findings

5.2.1 Top Management Commitment and Strategy Implementation at Family Bank

The study established that top management commitment influences strategy implementation at Family Bank. The top management's commitment to the strategic direction is important and managers must not spare any effort to persuade the employees of their ideas for strategy implementation to be effective. The manager's role in the implementation process is to lead and keynoting the tone: pace, and style of strategy implementation. Each strategy implementation situation is unique enough to require the strategy manager to tailor his or her action agenda to fit the specific organizational environment at hand. This forces the manager to be conscious of all that strategy implementation involves and to diagnose carefully the action priorities and in what sequence things need to be done. The manager's role is thus all-important. His or her agenda for action and conclusions about how hard and how fast to push for change are decisive in shaping the character of implementation and moving the process along.

The responsibilities for top management in strategy implementation include to: set and communicate policies and objectives throughout the organization, raising awareness, motivation and involvement, ensure a focus on customer requirements throughout the organization and, ensure that appropriate processes are implemented to meet customer requirements and organizational objectives. The top managers also: ensure that an effective and efficient quality management system is established, implemented and maintained to achieve these quality objectives, ensure that adequate resources are provided to meet the organization's objectives, regularly review the effectiveness of the management system, its policies and objectives, decide on actions regarding the quality policy and quality objectives and, decide on actions for improvement of the quality management system.

The study established following procedure which serves as a useful guide for fitting structure to strategy: pinpoint the key functions and tasks requisite for successful strategy execution; reflect on how the strategy-critical functions and organizational units relate to those that are routine and to those that provide staff support; make strategy-critical business units and functions the main organizational building blocks; determine the degrees of authority needed to manage each organizational unit, bearing in mind both the benefits and costs of decentralized decision making and; provide for coordination among the various organizational units.

5.2.2 Communication Process and Strategy Implementation at Family Bank

The study established that communication process and strategy implementation at Family Bank. The study established that before the launch of the strategy at the Family Bank, plans for communication are prepared that include what will be communicated, when, by whom

and at which events. A key issue is the ability to manage communication about the strategy as part of the implementation process. There are a number of ways of communicating information during strategy implementation namely: intrapersonal (internal communication or what an individual think of strategy implementation process), interpersonal (one to one, small group, emails, telephone calls and other activities that allow personal listening and response during strategy implementation), organizational (lectures, seminars, debates, meetings, memos, intranets, newsletter, workshops, displays), community (local radio, talks, seminars, debates, local newspapers, bill boards) public media (newspapers, television, radio, internet, mobile phones).

Effective communication is important for successful implementation of strategy at the Family Bank. Communication helps the managers to perform the basic functions of strategic management which include planning, organizing, motivating and controlling. Communication serves as the foundation of every facet of strategy implementation at the Family Bank. Communication keeps the foundation of motivation in the strategy implementation process. It helps the employer to know how a job is being performed and to improve performance if it is not up to the mark. Communication acts as a source of information and helps in the decision making process and helps in identifying the alternative course of action during strategy implementation. Communication also helps in building people's attitude.

5.2.3 Coordination of Activities and Strategy Implementation

Coordination of activities is also a major factor in strategy implementation. Coordination is an all-inclusive concepts or the end result of the management process. Management is

nothing more than coordination of all activities, efforts and forces that affect the organization from within and without. Coordination serves as a key to all managerial functions. The first test of a business administration should be whether you have a business with all its parts so coordinated, so moving together in their closely knit and adjusting activities, so linking, inter-locking, inter-relating, that they make a working unit that is not a congeneric of separate pieces, but a functional whole or integrated unit.

5.2.4 Organizational Culture and Strategy Implementation

Another factor that influences strategy implementation is the organizational culture. For a strategy within an organization to develop and be implemented successfully, it must fully align with the organizational culture. Thus, initiatives and goals must be established within an organization to support and establish an organizational culture that embraces the organization's strategy over time. Organizational culture influences leadership style of managers, understanding of strategy implementation, identification of difficulties and obstacles during implementation, how managers make decisions and the dominant values, beliefs and norms.

Organizational culture influences flexibility and adaptability; organizational stability; goal unification; process implementation; and cultural alignment. Organizations that remain flexible are more likely to embrace change and create an environment that remains open to change. A stable culture, one that will systematically support strategy implementation, is one that fosters a culture of partnership, unity, teamwork and cooperation among employees. This type of corporate culture will enhance commitment among employees and

focus on productivity within the organization rather than resistance to rules and regulations or external factors that prohibit success.

Flexible, strong and unified cultures affect implementation in a positive manner by aligning goals. Goals can come into alignment when the organizational culture works to focus on productivity and getting the organization's primary mission accomplished. When culture aligns with strategy implementation, an organization is able to more efficiently operate in the global marketplace. Culture allows organizational leaders to work both individually and as teams to develop strategic initiatives within the organization.

5.3 Conclusions

The study concludes that strategy implementation at Family Bank is mainly influenced by commitment of the top management, communication process, coordination of activities and organizational culture. The manager's role in strategy implementation is important and the responsibilities of top management include: to set and communicate policies and objectives throughout the organization, raising awareness, motivation and involvement, ensure a focus on customer requirements throughout the organization, ensure that appropriate processes are implemented to meet customer requirements and organizational objectives, ensure that an effective and efficient quality management system is established, implemented and maintained to achieve these quality objectives, ensure that adequate resources are provided to meet the organization's objectives, regularly review the effectiveness of the management system, its policies and objectives, decide on actions regarding the quality policy and quality objectives and, decide on actions for improvement of the quality management system.

Effective communication is important for successful implementation of strategy at the Family Bank. The benefits of effective communication include: helping the managers to perform the basic functions such as planning, organizing, motivating and controlling; serving as the foundation of every facet of strategy implementation; sustaining motivation, helps the employer to know how a job is being performed, helps in the decision making process, helps in identifying the alternative course of action, building people's attitude, controlling the process strategy implementation, allows the managers to know about the grievances of the subordinates and helps the subordinates to know about the policies of the organization and, raising the morale of the employees during strategy implementation.

Coordination helps to improve the efficiency of operations by avoiding overlapping efforts and duplication of work. Integration and balancing of individual efforts provide a smooth and harmonious team work. Coordination enables an organization to rake optimum use of its resources. Besides promoting the efficiency of operations, coordination improves the morale and job satisfaction of employees. A well-coordinated organization can attract, retain and utilize better personnel. Coordination improves human relations by reconciling individual and organizational objectives, helps to ensure unity of action in the face of disruptive forces and fosters loyalty and commitment among employees.

Organizational culture influences leadership style of managers, understanding of strategy implementation, identification of difficulties and obstacles during implementation, how managers make decisions and the dominant values, beliefs and norms.

5.4 Recommendations

5.4.1 Recommendations for policy considerations

The top managers should ensure that all stakeholders are involved in strategy implementation. Strategic implementation of any kind of new organizational policy or program requires participation from all of the departments that will be affected. Organization's leadership needs to identify what those departments are and create an implementation team that consists of representatives from each affected group.

The top managers should enhance the interest of all stakeholders in strategy implementation. Implementing change or any new strategy within an organization requires a feeling of urgency on the part of the entire company. Leadership needs to help the employees understand how the company benefits from the new implementation, but it also needs to get the organization to see the setbacks of not making a change.

The top managers should always give direction and guidance through different phases of strategy implementation. Implementing a corporate strategy or change is often done in phases. The company leadership needs to be able to identify when each phase of a strategic implementation is complete and be ready to transition the organization to the next phase.

Managers should prioritize their objectives, put resources at employees' disposal, explain the processes and, above all, transmit the vision to the implementing team. Communicating well means the employees comprehend the strategies and are able to put them into action.

The manager charged with strategic implementation must be able to pick out the people and teams best able to move the project forward. Leading the implementation requires

taking pains to discover and test the abilities gifts of the staff. The manager should establish mini-leaders over various segments of the process who understand the scope of the implementation.

The management should encourage the staff during strategy implementation. When encouraging the staff, managers need to be a consistent role model who stays on tasks, works to solve problems and keeps to a schedule. The manager encourage employees to emulate their behavior without having to lecture them on what how to act and perform in the workplace. The manager should create a culture of encouragement by praising hard work, passionate exhibitions and creativity in individual efforts.

There is a need for continuous monitoring of strategy implementation. Strategic implementation within an organization is not an exact process. It is a dynamic procedure that needs to be monitored by management and altered to meet implementation goals.

Effective communication in strategy implementation at family Bank can be improved through development of an integrated communications plan. An integrated communications plan is essential both during and after implementation of strategy to ensure efficient flow of information to all units in a timely fashion. There should be a two-way-communication program during strategy implementation. Communication in strategy implementation can be improved by clearly outlining the extent and scope of strategic change and the approaches outlined in the related policy document.

Organization need to build a culture that supports strategy implementation. Organizations should give employees a reason to care about the customers, colleagues, and about how to do business right in a world that rewards cutting corners and compromising values. During

a transformation/change management/turnaround, an organization should not focus exclusively on distinguishing it from the competition but find what brings it together. Organizations should articulate a sense of unity well and the strategy implementation will succeed. Managers can also take an active part in shaping an organizational culture, to try to ensure that it benefits the company's goals and its employees.

5.4.2 Recommendations for further research

The study recommends further research on strategic management approaches adopted by banks in Kenya. The further research will complement the findings of this study by providing information on how different management approaches influence strategy implementation in banks.

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APPENDICES

Appendix i: Letter of introduction



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
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Nairobi, Kenya

DATE... 18th / 7 / 2014

TO WHOM IT MAY CONCERN

The bearer of this letter... Annette Chepchumba Kibet
Registration No... 061/03166/2011

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

1. Employee name: _____
2. Employment title: _____
3. Department: _____
4. Year of joining: _____
5. To what extent does Family Bank face challenges in the strategy implementation at the following levels?
 - i. Corporate level
 - ii. Business level
 - iii. Functional level
 - iv. Dynamic level
 - v. Operational level
6. Does the top management support of strategy implementation?
7. How is top management effective in the strategic implementation at family Bank?
8. What should it be done to enhance top management commitment in strategic implementation at family Bank?
9. Do you think there is effective communication in family bank?
10. How does communication process affect strategy implementation at family bank?

11. What measures can enhance effective communication process in strategic implementation at family Bank?
12. To what extent do you rate the coordination of activities in strategy implementation in your organization
13. How does coordination of activities affect strategy implementation at family Bank?
14. Suggest the various ways in which the bank can enhance coordination for efficiency in strategy implementation
15. Is the organizational culture supportive of strategy implementation?
16. How does organizational culture enhance strategy implementation in your organization?
17. What should it be done to ensure that challenges encountered because of organizational culture during implementation of strategies are well managed at family Bank?
18. What are other factors that affect strategy implementation in your organization?