STRATEGY IMPLEMENTATION AT STRATHMORE UNIVERSITY

RIUNGU ANN MAKENA

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT 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 presented for the award of a degree in any other university or any other higher learning institution for examination purpose.

Sign---------- Date----------

Riungu Ann Makena

D61/60704/2013

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

Sign---------- Date----------

Mr. Jeremiah Kagwe

Lecturer, Department of Business Administration,

School of Business, University of Nairobi.

ACKNOWLEDGEMENT

The success of this study is not entirely my own. I would therefore wish to acknowledge the contributions of the following people who made my study possible. To them I express my deepest gratitude.

Mr. J. Kagwe whose guidance and contributions was of immense value to me. My friends in the MBA class, Kevin Kamenju and Charity Mugo. My bosses Lenah Gatwiri and Vincent Ndoloka for allowing me to take frequent time off from work to be able to undertake this study. The Strathmore University management team, deans of schools and departmental heads who played a critical role in providing useful information through interviews and other materials.

My family and friends I say thanks for their moral support, inspirational, financial and encouragement during this academic journey. To you all I owe you success. Those that I have not mentioned due to lack of space, I say thanks for your genuine support. Thanks for helping me realize my dreams. My greatest gratitude goes to the Almighty God who provided the wisdom, protection and direction in this journey. To Him I say glory and honour unto you forever more.

DEDICATION

This research work is dedicated to my parents Julius Riungu and Verasia Riungu, my siblings Eric and Gatwiri. It is through your selfless support and prayers that made my studies possible. I will forever remain indebted to you.

ABSTRACT

The success of an organization does not come without a plan. However, the plan has to be appropriately implemented. Strategy implementation is crucial because it links strategy formulation and its success. Organizations prepare very excellent strategies which in most cases are never implemented for various reasons. The main purpose of this study was to establish the challenges of strategy implementation at Strathmore University and also to determine the measures taken to deal with these challenges. This study was guided by the McKinsey 7-S Model of Strategy Implementation. It recognizes the seven factors critical for effective strategy execution as strategy, structure, systems, staff, skills, style and shared values. The study used a case study design. The study used both primary and secondary data where primary data was collected by use of face to face interview between the researcher and the respondents using an interview guide. The secondary data was obtained from Strathmore University strategic plan, service charter, ISO certification documents and annual reports. The data which was qualitative in nature was analyzed using the content analysis technique. It is a technique for making inferences by objectively and systematically identifying characteristics of messages. The information was analyzed and evaluated to determine its usefulness, credibility, consistency and adequacy. The outcome was then compared in order to get more revelation on challenges of strategy implementation at Strathmore University. The findings provided an insight on how private universities should carry out a successful strategy implementation. The study found that some aspects of organization culture, lack of involvement of staff, insufficient communication, organization policies, competition and resources are some of the major challenges faced by the University in its strategy implementation. Various ways were found to be used by the university to cope with the challenges in its strategy implementation. They include, used of standardized key performance indicators, carrying out staff training to equip the staff with skills, proper allocation of resources, improving on information technology, and culture change among others. Conclusions were drawn and specific recommendations made. If adopted, findings of this study will help the University to manage their strategies as well as successfully implement them. Among the recommendations were; the university should involve all its staff in strategy implementation to encourage ownership among the staff, management avails resources needed for strategy implementation, the top management to drive the culture of the organization and focusing on a lean, flat responsive, and innovative organization structure among others. This study though deeply researched could not have been finalized without limitations. The study covered a period of three months and this duration could not allow the researcher to collect enough data for comprehensive analysis. It only focused on the extent of strategy implementation and the challenges encountered thus ignoring other important areas like effectiveness of strategy implementation. The other limitation was the presence of organizational rules that do not allow release of information to the public hence it was difficult to obtain some of the useful information.

TABLE OF CONTENT

CHAPTER ONE

INTRODUCTION

1.1 Background of Study

The success of an organization does not come without a plan. However, the plan has to be appropriately implemented. Strategy implementation is crucial because it links strategy formulation and its success. Poor implementation of an appropriate strategy may lead it to fail (Kiruthi, 2001). As stated by Ngumo (2006), strategy implementation though considered heavily demanding cannot be overlooked by any organization that seeks to achieve its goals. The sustainable survival of a business is difficult to achieve without the ability to implement effective strategies for dynamic business environments. Many companies develop strategies but may have a problem when implementing them.

The McKinsey 7-S Framework is a model that can be applied to among other situations, to implement a proposed strategy. McKinsey model describes the seven factors critical for effective strategy execution (Kaplan, 2005). It recognizes the seven factors as strategy, structure, systems, staff, skills, style and shared values. It recognizes the seven factors as strategy, structure, systems, staff, skills, style and shared values. Alexander (1985) states that one reason why strategy implementation fails is that practicing managers and supervisors do not have practical models to guide their actions. In the absence of adequate models, they attempt to implement strategies without understanding the issues to be addressed to ensure success.

Over the past years, Strathmore University has faced many challenges. Among these challenges are: limited capacity to enroll the number of students they would want, fiscal challenges beyond their control, competition from public and other private universities,

and finance to support their growth. To help solve some of these problems, Strathmore University developed the first ten year strategic plan in 2005. This plan was to serve for a period of 10 years reviewable every 5 years.

1.1.1 Strategy Implementation

Strategy implementation is one of the constituents of strategic management and it refers to a set of decisions and actions that result in the formulation and implementation of long term plans designed to achieve organizational objective (Pearce and Robinson, 1997). Strategy implementation is concerned with the translation of strategy into action. It involves resource planning, actively managing the organization structure and design and proactively managing the strategic change (Johnson & Scholes, 1993). As stated by Harrington (2006) strategy implementation is an iterative process of implementing strategies, policies, programs and action plans that allow a firm to utilize its resources to take advantage of opportunities in the competitive environment.

Aosa (1998), argues that once strategies have been developed, they need to be implemented as they are of no value unless they are effectively translated into actions. For strategy to have an impact on the organization's success, the developed strategic plan must be put into action through implementation. Aaltonen and Ikavalko (2001), argue that transforming strategies in action is a far more complex, difficult and challenging undertaking and therefore not as straight forward as one would assume. The particular challenges that will face strategy implementation will depend on a number of factors and the type of strategy.

As stated by Tan (2004) it is possible that new strategies are being implemented without a clear understanding of the elements that affect the implementation process. Although managers may assume that their implementation has been successful, frontline staff may

encounter various issues which have not been taken into consideration before the implementation which may only appear in the long run. This would cause undesirable consequences to the organization, whether they are of little or great impact.

Zulfiqar (2010) asserts the importance of separating strategy implementation from strategy execution that helps the executive management to understand which matters senior managers should be dealing with and which matters they should be delegating to operational managers. In addition, they need to understand what risks are strategic, what risks are operational, what are the complexities involved in the process of expansion and who is to manage them. Nixon (2010) acknowledged the fact that a strategy may be good, but if its implementation is poor, the strategic objective for which it was intended may not be achieved. It is therefore important for organizations to establish a clear link between strategy formulation and strategy implementation. The process of strategy implementation is one that calls for intense, persistent and dedicated effort in the context of close collaboration between a company personnel and any external consultant involved.

1.1.2 Private Universities in Kenya

In Kenya, Private Universities are institutions of higher learning that are established in accordance with the Universities Act 1985(CAP 210B) and the Universities Rules, 1989 (Establishment of Universities, Standardization, accreditation and Supervision). They run under a full charter or an interim charter as they await to be awarded full charter. The private universities offer both undergraduate and postgraduate programs. The Commission of Higher Education (CHE) is authorized to ensure that private universities adhere to the standards of a university. In Kenya currently we have 28 registered private Universities. Kenya is currently leading the East Africa community of Tanzania, Uganda,

Rwanda, and Burundi in the number of private Universities. This is because Kenya was the region's first country to recognize the importance of private universities (Oketch, 2003).

Private universities in Kenya have significantly increased owing to the progressing demand for higher education and subsequent pressure on public universities to manage this demand. Oketch (2004), states that the growth of Private University sector in Kenya has been fuelled by several factors, including: the limited opportunities available in public universities; the constant closures of state funded universities; the need to complement government- managed higher institutions largely for their followers. As profit making institutions, fees are charged strictly in accordance with market forces on the basis of full cost recovery. Annually, over 50,000 students qualify for university admission in Kenya, but the public universities through the Joint Admissions Board (JAB) can be able to admit only approximately 11,000-12,000 students. Banya (2001) noted in 1996 the sharpest increase in higher education enrollment worldwide was reported in sub-Saharan Africa, where the number of students registered was 7.5% more than the previous year.

In Kenya, higher education has been the fastest growing segment of the education sector in the past 10 years, averaging 6.2% each year (Republic of Kenya, 1997-1998). Private universities are faced with a great number of challenges including: maintaining a consistent supply of students who can afford to pay for private university education, neck to neck competition from their public universities counterparts who have introduced module 2 degree courses for self- sponsored students , neck to neck competition from foreign universities who have launched an vigorous campaign for recruiting local

students, lacking a research focus in comparison to public universities and offering specific and narrow programs (Oketch, 2004).

1.1.3 Strathmore University

Strathmore University is one of the oldest private universities in Kenya. It began as Strathmore College which was established in 1961 as an advanced level sixth form offering science and Arts subjects. In 2002, Strathmore University was awarded a letter of Interim Authority to operate as a university by CHE. From the first 25students who were admitted to Strathmore College in 1961 today there are 5,000 students enrolled at Strathmore University. Of these students 4,000 are fully self- sponsored and 300 are under various scholarships. The university has 7 schools and 4 research centers. The top level management of Strathmore University developed the first ten year strategic plan in 2005. This plan was to serve for a period of 10 years reviewable every 5 years.

1.2 Research Problem

As competition steadily increases in the education sector in Kenya, institutions are forced to come up with superior strategies that will enable them gain a competitive edge against their competitors. A competitive strategy will aim at establishing a profitable and sustainable position against the forces that determine industry competition (Porter, 1980). Organizations develop and implement strategies in order to take advantage of opportunities that exist in environment that they operate from. Since environment is unstable as a result of continuous interaction with the environment, the development and eventual implementation of a given strategy minimizes the unpredictability that may arise due to non-implementation of conceived strategy. Strategy implementation or strategy execution is the most complicated and most time consuming part of strategic management (Shaap, 2006).

Before the rapid increase of many public universities opened by the government from 2012 Private Universities and in particular Strathmore University enjoyed a low competition regime. This rapid increase in the public Universities that were now offering module two courses posed a significant challenge to a market that did not know competition. Today Strathmore University has to operate in the neck to neck competitive environment. My study of strategy implementation at Strathmore University is motivated by a desire to understand the challenges in implementing the strategies to face this changed environment as well as the measures taken to deal with these challenges.

A number of studies have been carried out on the challenges of strategy implementation. . Njinu (2012) studied challenges of strategic plan implementation at Bank of Africa Ltd; Gatimu (2012) studied strategy implementation at the city council of Nairobi; Gakii (2010) studied on challenges of strategy implementation at the Kenya Revenue Authority. Ocholla (2010) studied challenges of strategy implementation at Kenya Medical research institute. Mbithi (2011) studied strategy implementation at Nakumatt holdings. Nyariki (2012) studied challenges of strategy implementation at the University of Nairobi.

After reviewing the above and other similar studies carried out in the past, none of them focused on strategy implementation in Strathmore University thus giving justification for this study. The study attempted to answer the following questions; what are the challenges of strategy implementation at Strathmore University? How does the university deal with the challenges of strategy implementation?

1.3 Research Objectives

The objectives of the study were to:

i. Establish the challenges of strategy implementation at the Strathmore University.

ii. Determine the measures taken to deal with strategy implementation challenges at Strathmore University.

1.4 Value of the Study

First, the study will provide direction and solutions to the top management of Strathmore University with clear information on the general challenges faced during strategy implementation and how to overcome and cope with these challenges.

Second, the study benefits other private institutions, particularly private universities striving to improve formulation and implementation of their strategic plans. Institutions implementing their strategic plans will find this study useful by providing understanding into the implementation process.

Third, the study adds to the pool of knowledge useful to other researchers for reference in areas of strategic plan implementation. It therefore seeks to build the study of strategic management. It also helps identify areas of further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter summarizes the theoretical foundation of the study, the challenges of strategy implementation and the measures to cope with these challenges.

2.2 Theoretical Foundation of the Study

This study was guided by the McKinsey 7-S Model of Strategy Implementation. This model named after McKinsey and company can be used in various scenarios including when determining how to best implement strategy. McKinsey model describes the seven factors critical for effective strategy execution (Kaplan, 2005). It recognizes the seven factors as strategy, structure, systems, staff, skills, style and shared values.

2.2.1 McKinsey 7-S Model

Strategy is the plan of action an organization prepares in reaction to or in expectation of changes in its environment. It deals with three questions, where the organization is, where it wants to be in a particular length of time and how to get there (Kaplan, 2005). Structure refers to the way in which duties and people are specialized and divided, how authority is distributed, how activities and reporting relationships are grouped and mechanisms in which activities in the organization are coordinated (Kaplan, 2005). Organizations are structured in a variety of ways dependent on their objectives and culture.

Systems refer to the formal and informal procedure used to manage the organization including management control systems, performance measurement and reward system, planning, budgeting and resource allocation and management information systems (Kaplan, 2005). Every organization has some systems or internal processes to support and

implement the strategy and run day to day affairs. These processes are normally strictly followed and are designed to achieve maximum effectiveness. Staff refers to the people, their background and competencies, how the organization recruits, selects, trains, socializes, manages the careers and promotes employees (Kaplan, 2005). Organizations are made up of people and it's the people. Importance of the human resource thus has got a dominant position in the strategy of the organization away from the traditional model of capital and land.

Skills refer to the distinctive competencies of the organization, the management practices, processes, systems, technology and customer relationship (Kaplan, 2005). Style refers to the leadership style of managers. How they spend their time, their focus of attention, what questions they ask employees and how they make decisions. It also focuses on organizational culture which includes dominant values and beliefs, norms, the conscious and unconscious symbolic acts taken by leaders. These are the job titles, dress codes, informal meetings with employees among others (Kaplan, 2005).

Shared values refer to core fundamental set of values that are widely shared in the organization. They serve as guiding principles of what is important, that is, the vision, mission and value statements that provide a broad sense of purpose for all employees (Kaplan, 2005). All members of the organization share some common fundamental ideas or guiding concepts around which the business is built. Organizations with weak values and shared goals often find their employees following their own personal goals that may be different or even in conflict with those of organization or their fellow colleagues (Martins and Terbalance, 2003).

2.3 Challenges of Strategy Implementation

Strategy implementation often poses a number of challenges which arise from sources that are internal and external to the organization. Particular challenges that will face strategy implementation will depend on the type of organization and the prevailing circumstances. Thompson (1995) argues that in all organizations, at all levels, there exists a natural resistance to change.

Cultural impact underestimation is a challenge to strategy implementation when the organization experiences rough going due to deep-rooted cultural biases. It causes resistance to execution of new strategies especially in organizations with defender cultures. This is because they see change as threatening and tend to favor continuity and security (Wang, 2000). Aosa (1998) argues that lack of compatibility between strategy and culture can lead to high organizational resistance to change and demotivation, which can in turn frustrate the strategy implementation.

Resource insufficiency is also another common strategy implementation challenge. Lack of resources which include financial and human or indivisibility of resources brig about the challenge. Established organizations may encounter changes in the business environment that can make a large part of their resource base redundant resources, which may be unable to free sufficient funds to invest in the new resources that are needed and their cost base will be too high (Johnson and Scholes, 2002).

Changes do not implement themselves and it is only people that execute them (Bryson, 2005). Selecting people for the key positions by putting a strong management team with the right blend of skills is one of the first strategy implementation steps (Thompson and Strickland, 2003). They point out that assembling an efficient team is one of the critical

pillars of the organization-building task. Bryson (2005) states that people's intellect creativity, skills, experience and commitment are necessary towards effective implementation. However selecting able people for key positions remains a challenge to many organizations.

As indicated by Aaltonen and Ikavalko (2001) the amount of strategic communication in most organizations is large with both written and oral communication being used in form of top down communications. However, a great amount of information does not always lead to understanding and there is still much to be done in the field of communicating strategies. As stated by Wang (2000), communication should be two way so that it can provide information to improve understanding and responsibility and to motivate staff. Also he argues that communication should not be seen as a one-off activity in the entire period of the implementation process. In many cases it is not so and as a result communication still remains a challenge to strategy implementation process.

Organizations' employees sometimes resist proposals for change thus making it hard to implement strategy (Lynch, 2000). As stated by Freeman (2003) there are a number of strategy implementation pitfalls which include isolation, lack of stakeholder commitment, strategic drift, dilution, and isolation, failure to understand progress, initiative fatigue, impatience and not celebrating success. Before a strategic initiative can be implemented, it must be clearly understood. Lack of understanding of a strategy is another barrier to strategy implementation (Aaltonen et al, 2001). However, the problem in understanding arises when it comes to applying strategic issues in the day-to-day decision-making.

Organizational politics, unavoidable aspects, remains another key challenge in strategy implementation. Organization politics are tactics that strategic managers engage in to

attain and use power to influence organizational goals and change strategy and structure to further their own interest (Hill and Jones, 1999). Technology is a key resource of particular attention at the moment with the rapid advances in information technology. These developments in the ability to access and process information can build or destroy an organization's core competences that are crucial for competitive advantage (Johnson and Scholes, 2002).

2.4 Measures to Cope with Challenges of Strategy Implementation

In order to counter the problems associated with strategic plan implementation, the following should be practiced. Firstly, in the strategic plan implementation, there should be a clear allocation of responsibilities. Necessary actions should be identified, planned and responsibilities allocated. This will assist people to be accountable and will avoid a blame game. Secondly, the number of changes and strategies being pursued should be limited at any one time to ensure that the resources cope with the changes. Thirdly, milestones and progress points should be established as well as measures of performance, monitoring and control mechanisms (Owen, 1982).

Strategic plan implementation will ultimately affect a few people. There should be involvement and support of such people who will be affected by the changes. The implications of the change should be communicated widely and awareness created widely. Commitment should be sought from such people in order to ensure the implementation process is not hampered with resistance. To accomplish this, there should be incentives and reward systems to underpin management commitment to successful implementation (Owen, 1982).

Motivation in strategic action is very critical. A motivated work force that is tasked to implement strategy is more likely to succeed than a workforce which is disgruntled. Their level of enthusiasm is high and they will only vouch for success of the project hence they will go out of their way to achieve the stated objectives (Emerald, 2005). Timing of when to act or make changes must be right. Employees anticipate changes in the organization especially in the senior management level, and inaction of for example three months, causes uncertainty and fear. The downfall of this is that strengths are destroyed before they are appreciated. Emerald, (2005) concludes that it is more important to be decisive than to be right, and then learn and adapt incrementally.

There must be consistency in strategy formulation and strategy implementation in order for an organization to be effective. Alexander (1985) argues that how an organization does things and manages strategy and change is far more important than the actual strategy and proposed change. The leadership style of the leader affects the desirability of the strategic alternatives he provides for the organization. The organizational structure, delegation mechanisms, freedom and incentive and reward systems will ultimately affect the effectiveness of the implementation.

Allio (2005) gives a few practical guidelines for implementing strategy that will assist in effective and successful implementation. The guidelines include keeping it simple, establishing a common language, dividing roles and responsibilities, using straightforward qualitative and quantitative metrics, balancing short term targets with long term targets, being precise and use of action verbs, use of a common format to enhance uniformity and communication, meeting regularly in structured time limited meetings and anchoring implementation activities in the organization's financial infrastructure and be ready to consistently manage the implementation process.

Implementation lies at the core of the strategy and deserves as much attention as the strategy formulation process (Allio, 2005).

Critical success factors for strategic implementation include clearly defined goals, sufficient resource allocation, top management support, project plans and schedules, a competent project manager and team members, adequate communication, feedback mechanisms and responsiveness to clients (Schultz et all, 1987). Their research indicates that the above are not only necessary but critical for there to be successful implementation. Dandira (2011) reiterates that management needs to place emphasis on communication, display their commitment to the plan, treat employees like internal customers and display important components of the strategic plan. Further to this, management must implement performance contracts in line with the strategic plan.

Myrna (2012) proposes a progress accelerator to maintain momentum. He proposes that the team needs to agree on priority issues, divide the responsibilities to foster accountability, take action and finally assess the outcome vis-à-vis the strategic plan.

The progress accelerator reinforces the fact that there should be clear cut responsibilities for each team member for which they will be held accountable. Myrna goes further to say that you need to recognize and celebrate accomplishments and successes with the team and tie the accomplishments back to the plan. Failure to celebrate small successes and accomplishments sets people aback and makes them think that the plan is not working while indeed it may be working (Myrna, 2012).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research design, data collection and the various techniques for data analysis used in the study.

3.2 Research Design

The study used a case study design. As stated by Kothari (1990) a case study is a form of qualitative analysis which involves a careful and complete observation of a social unit be it a family, a person, a cultural group, or an entire community or institution. The study focused on strategy implementation at Strathmore University. The results provide an insight on how private Universities should carry out successful strategy implementation in order to remain competitive in the current unstable and sometimes aggressive environment.

Yin (1994) also points out that a case study allows an investigation to retain the holistic and meaningful characteristics of real life events. It is a method of study in depth rather than breadth and lays more emphasis on a limited number of events and other interrelations. Previous studies of similar nature have successfully used this method Kandie (2001),Koske (2003), Muthuya (2004), Machuki (2005), Olali (2006), Atandi among others.

3.3 Data Collection

The study used both primary and secondary data. The primary data was collected by use of an interview guide. The interview guide comprised open ended questions. The respondents were 10 and included the deputy vice chancellor, Deans of the seven schools,

Registrar administration, Director Strategy & Assurance who were considered to be key informants. The interviews were conducted at the interviewee's place of work. Secondary data was obtained from organizational documents such as the strategic plan, service charter, performance contracts, ISO certification documents, annual reports and annual performance evaluations.

3.4 Data Analysis

Data obtained was qualitative in nature and was analyzed using content analysis techniques. The information was analyzed and evaluated to determine its usefulness, credibility, consistency and adequacy. Content analysis has been defined as the systematic replicable technique for compressing many words of text into fewer context categories based on explicit rules of coding. It is a technique for making inferences by objectively and systematically identifying characteristics of messages.

As stated by Mugenda and Mugenda (2003), the main purpose of content analysis is to study existing information in order to determine factors that explain a specific phenomenon. In coding qualitative data, the researcher read all the responses, identified key information and related it to emerging patterns. The outcome was compared in an attempt to get more revelation on the challenges of strategy implementation and the measures taken at Strathmore University. Content analysis has in the past been used successfully by Kimeli (2008), Kiplotich (2008), Njuguna (2009), Atandi (2010), Ndonga (2010) and Maiko (2011).

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

The research objective was to establish challenges faced and to determine how Strathmore University has responded to the challenges established. The first section will cover the demographic information of the interviewees and why they were chosen for this study. The second section of this chapter will cover the challenges that Strathmore University has faced when they are implementing the chosen strategy and what ways and measures that the management has taken to tackle and handle the challenges they are facing when implementing the strategies to ensure that they are able to achieve the goals set and ensure full realization of the strategy.

4.2 Demographic Data of Respondents

An interview guide was designed and used to obtain data from the University's top leadership. The researcher interviewed the deputy vice chancellor, Deans of the seven schools, Registrar administration and the Director Strategy & Assurance. All the interviewees have had adequate experience on the how the organization has gone about implementing the chosen strategies, challenges facing strategy implementation and the ways to respond to the challenges established because all the interviewees have worked in the university for more than 3 years.

4.3 Challenges of Strategy Implementation at Strathmore University

The respondents reported a number of challenges that they encounter during the strategy implementation process. These challenges arise from sources that are either internal or external to the organization. They underscored the fact that if these challenges could be

dealt with, then the implementation process would indeed be smoother and ultimately yield more success. These challenges are as outlined here under.

The study established that some aspects of organization culture and structure affected strategy implementation. The university is comprised of employees who have worked for a number of years ranging from 1 year to 20 years. A specific shared culture therefore exists in terms of an understanding of how things are done within the company. Some employees tended to be over relaxed at work and lacked the motivation to operate effectively towards required targets.

In the strategic plan implementation process, it is important that all the staff own the proposed strategic plan for them to have faith in it. About 50 percent of the respondents felt that currently majority of the staff are not involved in the implementation and hence lack of a common vision or unity of purpose. The respondents felt that if the bottom up approach of the implementation process was used, the staff would feel involved and they own it and this would smoothen the process.

All the respondents pointed out that that communication was the greatest challenge in the strategic plan implementation. Majority of the managers interviewed felt that communication was not adequate. They felt that sometimes decisions are not well and clearly communicated. Moreover, communication is not at all times done to all the stakeholders in the implementation process. The managers owing to their implementation task and direct involvement are familiar with the strategic plan and their roles. However, as you come down especially to the operational units, most of the staff is not familiar with the strategic plan since they are not quite involved hence the people may all be seeking to achieve different objectives.

Throughout the interviews, it was evident that the organization was distinctively and visibly given strategic direction by its directors. The interviewees also pointed out that some policies in the organization acted as a stumbling block towards effective strategy implementation and the prevailing economic conditions such as inflation were also pointed out to be hindering strategy implemented.

Competition as a driver of business is quite a challenge especially in the higher education level which has a lot of players in it. Kenya currently has about 28 private universities hence each university has to try and offer not only unique but excellent service in order to grow its business and also build competitive advantage. This has been quite a challenge since all the institutions are in competition and they all have varying financial muscle to do business. Competition has thus been a challenge since all the players are trying to out-do each other while still trying to offer the best and unique services. This has increased a big deal since customers are now more aware of services offered by the other players and continue to demand the best.

Resources, both human resources and monetary, pose a big challenges in strategic plan implementation. All departments work with budgets which are supposed to be adhered to by all the units. The challenge comes in situations that call for more resources or huge investments but the budget does not allow. Hence the university is unable to grab some opportunities. Institutions with bigger financial muscle take advantage of this since they are able to engage in more activities than the small institutions. There are also human resources challenges in recruitment and when employees resign in terms of time lost during replacement and recruiting the candidates with the right skills for the right jobs.

4. 4 Measures Adopted to Cope with the Challenges

The interviewees confirmed that the organization has inherited structured and standardized key performance indicators (KPI's) and tracking tools that keep abreast all the staff concerned on how far they had achieved or deviated from the targets. In addition embedding individuals staff development requirements in the yearly approach have also been found to be effective in the process of providing the staff with the necessary tools for implementing the strategy.

The implementation of the any new strategy requires that proper employees be recruited to carry out that strategy alternatively employees should be provided with skills and knowledge to implement it. Strathmore University was forthright in its efforts to train and develop employees in the form of educational training and quality training courses. These training methods assisted the employees to read and carry out the operational instructions with a resultant improved level of productivity.

The challenge of lack of financial resources has also been handled by the university. A change in strategy nearly always calls for budget reallocations and resource shifting. A according to one respondent units not important in the prior strategy, but now have a bigger and critical strategic role have been given more people, new equipment, additional facilities and above average in their operating budgets. More resources have been devoted to quality control and technological improvement. A visible action to reallocate operating funds and move people to new organizational units is now a catalyst to the successful implementation process.

The university has embraced high speed internet connectivity. The landing of the fiber cable into the East African region has seen a reduction of internet bandwidth costs to

about 10 percent of what it was in 2008. This reduction has enabled increased access to ICT services in the university, which can be harnessed for efficient and productive services. Rapid technological advances have now transformed the way people live and work within the university The university has also taken advantage of these technological advances to enhance the quality of university academic programmes and hence the competitiveness of the university's graduates in the job market. Communication and feedback among staff has also significantly improved.

The organizational culture of the organization is also a powerful aspect of that may affect strategy implementation in organization and the university has managed to develop core values that the employees are able to feel associated with and feel that they own the strategy and that they are part the team. These values are ethical practice, personalized attention, subsidiarity, collegiality, life-long learning, and service to society and the employees are able to identify under the company values. The alignment of organizational structure to strategy affects the shape, division of labour, job duties and responsibilities, the distribution of power and decision-making procedures within the company.

4.5 Discussion

This section discusses the findings of the study by linking the objectives of the study with existing literature. Respondents were unanimous that though the process of strategy implementation is not easy, Strathmore University must successfully implement its strategic plan if it has to survive in today's competitive environment. Compared to strategy formulation all respondents concur that real work begins at its implementation stage. Management is required to show results for that which they have put in paper,

hence a call for them to successfully implement strategic plans. According to Okumus (2009), by whatever methods strategies are selected, there will come a time when every organization will need to put its strategies into practice, therefore to implement them. Nothing stands still in strategy, including organizational policies.

The top management of the University must realize that action of individuals and inherent characteristics of people can lead to failure of organizational endeavors. Most of the respondent indicated that older members are more resistant to adapting to information technology. People working in organizations sometimes resist proposals and make strategy difficult to implement (Lynch, 2000, McCarthy et al, 1996). The findings of the study are again consistent with the existing literature as people with a common characteristic are identified as an isolated group that has resisted new technology.

Majority of the respondents said there remains quite a lot to be done especially since management cannot implement the strategy alone. They underscored this by saying all the people are necessary for this to be a success and a leader must be able to communicate, sell and persuade everyone to buy into the strategic plan. The findings are also consistent with those of Okumus (2003) and Aosa (1992) who assert that training for all levels is a critical ingredient in strategy implementation. They further argue that it is essential for everyone to comprehend the meaning and the requirements of strategy implementation, as it stands the full participation of all employees in formulating and implementing a strategic plan. Letting everybody know why you are introducing the strategy reduces the resistance to change and gains support for continued compliance.

Aosa (1992) noted that organization culture can cause organizational resistance to change in turn frustrating the strategy implementation. This is the case at Strathmore University,

the culture change team did not achieve much as employees perception towards the new strategies was negative. The sentiments were also echoed by Awino (2001) who noted that organization culture hampers successful strategy implementation at Higher Education Loans Board.

The respondents reiterated the fact that communication on the strategic direction and the objectives needs to be done adequately and in a timely manner. Most of them agreed that communication was inadequate and sometimes fails to reach everyone as should be the case. They went on to attach a lot of significance to communication in the strategic plan implementation noting that it should be free and also be bottom up not only top bottom. The findings are consisted with those of Okumus (2003) who proposes that multi modes of communication should be used to send out both formal and informal messages about the strategy to be implemented.

The findings further revealed that strategic plans have helped Strathmore University to strategically position itself. This is because the environment in which it operates is dynamic and requires strategy for it to succeed. The University has to embrace strategic implementation as a management tool. In reference to the environment in which it operates, respondents revealed that strategic plans have provided a road map to practice management in a turbulent environment in a way that leads to success in accordance to Ansoff (1990) strategic management theory**.** From these arguments it is evident that the findings concur with theory to a large extent.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the study findings. This chapter also represents the conclusion and recommendations.

5.2 Summary

There were several challenges encountered by the organization when it came to strategy implementation. Lack of resources and poor communication were also challenges that affected and slowed down the implementation of strategy because limited resource will affect some vital activities hence slowing the implementation process. Unclear communication was a challenge because if the strategy is not well communicated the employee will not buy in to the strategy but will see the strategy as being imported on them hence they felt not part of. Strategy implementation is about managing change and resistance to change can be considered the greatest threat to successful implementation. The study found out that before a strategy is to be implemented, it is communicated to all employees and a pilot- test is carried out on one of the outlets branches to check its viability and how customers will respond to the strategy being implemented. Strathmore University offers training to its employees both at the junior level and at the management level whereby for management there is involvement of experts to impart leadership skills to the management and create a shared vision. The introduction of Key Performance Indicators (KPI's) has also enhanced performance because employees are rewarded based on individual performance and overall performance of the branch. The rewarding of

individual performance has also acted as a motivation to the employees thus increasing the levels of employee satisfaction.

To deal with the above challenges, Strathmore University is enhancing the channels of communication because employees are being empowered to make decisions, there is delegation of duties thus the need to have a good communication network in the entire organization to ensure that feedback whether negative or positive flows freely within the organization and also that information is received and sent on a timely basis without delay to ensure problems are solved promptly to eliminate delays in implementation of the chosen strategy.

5.3 Conclusion of the Study

From the research findings and answers to the research questions, some conclusions can be made about the study. Organizations are encouraged to continuously improve their skills in strategy implementation in order maintain a competitive advantage. The strategy implementation process normally requires much more energy and time than the mere formulation of the strategy. The design of the strategy should inspire the staff to perform and not deter them and therefore the management should ensure that the strategies which they set to achieve are inspirational. The frequency of communicating the strategies to be implemented is so crucial to the achievement of the strategy and therefore feedback should be done regularly to ensure that in case a strategy is lagging behind some other means can be done to ensure that it succeeds.

The organization's management should put in place mechanisms which should address the factors hindering the pace of implementation. The major challenges encountered in the process of strategy implementation are poor team work, lack of adequate resources,

lack of ownership of the strategic plan, high staff turnover, poor communication channels and a non-qualifies leadership.

However, despite the many possible challenges that can face an organization in implementing its strategy, an organization structure should be flexible enough to adjust quickly to any changes in the environment. The organization should be able to retain its qualified staff as they help the organization achieve its objective. This can be through provision of adequate training and development programs, good working conditions and competitive remuneration packages.

5.4 Recommendations for Policy and Practice

Empirical evidence from this study indicates that the Strathmore University has documented all tools necessary for successful strategy implementation. For the university to fully implement its documented strategy it is recommended that it obtains enough resource, particularly financial resources. It should formulate financial plans and policies that will enable the institution access funds for implementation of the strategic plan. The findings of the study reveal that the challenges encountered during strategy implementation eventually works against the implementation team. It follows that when issues concerning this team are ignored, the implementation process is bound to be affected. It is therefore recommended that the management of the university be on the lookout on strategy implementation issues with the main focus being to empower and strengthen the implementation team and empowerment includes providing enough resources

Respondents were divided as to whether the university involves the staff in strategy formulation. It was however apparent that some of the managers see the strategy

document after it has been fully formulated and they are required to implement it in their respective units. This is perhaps the reason why the strategy is not implemented fully. It is important to note that separation of strategy development and implementation may lead to a situation where critical issues may be left out of consideration during formulation phase. The institution should ensure that the staff and especially that involved strategy implementation discuss the strategies already formulated for them to own the process.

The university should be specific while looking at how it can undertake measures to mitigate its challenges. It should set clear goals, allow university management board and the university council to delegate authority for the management of particular departments, expedite decision making process, allow corporate managers to concentrate on corporate level strategic decisions and avoid rigid and unsupportive bureaucracy. Corporate managers include the Chancellor, the Chairman of the university council, Vice Chancellor and the Deputy Vice Chancellors as well as deans of the 7 schools.

In today's competitive world the focus of organizations is a lean, flat, responsive and innovative organization structure. Strathmore University has to consider cutting down on its bureaucracy and recognize the fact that the necessary tools of organizational design are those where managers and employees are empowered to make individual judgment. Re-engineered work processes and procedures, self-directed work teams, incorporation of internet technologies and networking with the outside to improve existing organizational capabilities as well as create new avenues should be the University's ultimate goal.

On culture and resistance to change, the University should recognize the fact that when an organization culture is out of tune with what is needed for strategic success, the culture has to be changed. Successful culture change must be driven by top management. Only

the top management has the power and organizational influence to major changes in the organization's culture. Management is therefore required to think strategically and create a paradigm shift in realizing that there is always other ways of doing things. Change in technology, procedures and policies such as reward policy, job evaluation, unbiased promotions and open door policy are necessary motivational tools to employees. Changes however, should be introduced gradually but at a pace faster than the competitor to minimize resistance to change. To overcome challenges associated with resistance to change, strategic change is often implemented at a slower base.

5.5 Limitations of the Study

This study though deeply researched could not have been finalized without limitations. For completeness and better understanding of the implications of research findings, it is crucial that the limitations of this study be highlighted. The study covered a period of three months and this duration could not allow the researcher to collect enough data for comprehensive analysis. It only focused on the extent of strategy implementation and the challenges encountered thus ignoring other important areas like effectiveness of strategy implementation, the effect of turbulence in the environment on implementation of strategies. The effect of government control on strategy implementation was also not studied.

The other limitation that the researcher encountered was the presence of organizational rules that do not allow release of information to the public hence it was difficult to obtain some of the useful information. Even after getting clearance from the Vice Chancellor to collect data some of the information would not be released to the researcher. Most of the organization's activities are also not recorded when accomplished hence results would not be subjective as respondents gave what they would remember.

5.6 Recommendations for Further Research

It is generally believed that no research is an end in itself. What this research has achieved in this area of study is minimal thus requiring further research. From the knowledge gained from the study, the researcher recommends the following which should act as a direction for further research.

There is need to undertake a cross-section study on challenges in strategy implementation in both public and private universities. This will reveal hidden problems common to the entire higher education sector. It will also reveal mitigating factors which can deal with the challenges of strategy implementation, variances that have taken place and a comparison with the current data done. Evaluation of such research work from time to time is also suggested to ensure that they conform to the emerging challenges in the environment.

The study can also be replicated in Strathmore University, focusing the views of lower level managers and other general staff. The suggested studies if carried out soon can promote objectivity as well as validate the findings of this study.

The most critical phase of strategic management process is translating strategic thought into organizational action. Once a strategy has been formulated, they need to be implemented and without successful implementation, the vision of the organization can never be realized. This study reveals in the literature review that most well designed strategies fail at implementation stage. In this regard, similar studies of strategy implementation challenges should be carried out in other organizations.

REFERENCES

Alexander, L.D. (1985). Successfully implementing strategic change decisions. *Long Range Planning*. *18 (3).*

Allio, M.K. (2005). A short, practical guide to implementing strategy. *Journal of Business Strategy*. *26 (4),* 12 – 21.

Aaltonen, P., & Ikavalko, H. (2001, June). *Implementing strategies successfully.* Paper presented at the XII World productivity congress, Istanbul.

Ansoff. H., & Edward, J. M. (1990). *Implementing Strategic Management.* Europe: Prentice Hall.

Aosa, E. (1992). *An empirical investigation of aspects of strategy formulation and implementation within large, private manufacturing companies in Kenya.* Unpublished Phd Thesis, University of Strathclyde, Glasco, Scotland.

Aosa, E. (1998). The leadership challenge facing Kenya organization. *The accountant Journal*. January- March 1998.

Atandi, K.B. (2010). *Strategic plan implementation at the higher education loans board of Kenya.* Unpublished MBA project, School of Business, University of Nairobi.

Awino, Z.B. (2001*). Effectiveness and problems of strategy implementation of financing Higher Education in Kenya by the Higher Education Loans Board.* Unpublished MBA project, School of Business, University of Nairobi.

Banya, K. (2001). Are Private Universities the solution to the higher education crisis in sub Saharan Africa? *International Association of Universities*. *14*, 161-174.

Bryson, J. M. (2005). *Strategic Planning for Nonprofit Organizations*, (9th ed.). San Francisco: Jossy – Brass.

Chandler, A. (1962). *Strategy and Structure: Chapters in the history of industrial enterprise.* New York: Doubleday.

David, F.R. (2003). *Strategic Management Concepts*. (9th ed.). New Jersey, USA: Prentice Hall. Inc.

Dandira, M. (2011), Involvement of implementers: missing element in strategy formulation. *Business Strategy Series*. *12 (1)*, 30 – 34.

Emerald Insight. (2005).Keeping score: How ZAC found strategy implementation needed more than joined-up thinking. *Strategic Direction*. *21 (7)*, 21 – 23. Online: http://dx.doi.org/10.1108/02580540510599007.

Freeman, R.E. (2003). *The Blackwell handbook of strategic management.* Oxford: Blackwell publishers.

Goold, M. (1991). Strategic Control in the Decentralized Firm. *Sloan Management Review*. *32(2*), 69-81.

Harrington, J. E. (2006). Managerial reputation and the competitiveness of an industry. *International journal of Industrial Organization*. *13(1*), 95-110.

Harvey, D.F. (1998). *Strategic Management and Business Policy* (2nd ed.). Indiana: Merrill Publishing Company.

Hill, C. W., & Jones, G. (1997). *Strategic Management Theory: An Integrated Approach* (5th ed.). New York: Houghton Mifflin Company.

Hill, C.W., & Jones, G. R. (1999), Strategy *Management Theory; An Integrated Approach* (5th ed.). Boston: Houghton Mifflin Company.

Hitt, M.A., Ireland, R.D., & Hoskisson, R.E. (2005). *Strategic Management.* Ohio: South – Western.

Johnson, G., & Scholes, K. (1999). Exploring Corporate Strategy. (5th ed.). New Jersey: Prentice Hall.

Kamau, S.M. (2013). *Competitive strategies adopted by Private Universities in Kenya.* Unpublished MBA thesis. University of Nairobi.

Kaplan, R.S. (2005). How the Balanced Scorecard Compliments the McKinsey 7'S Model. *Strategy and Leadership. 33(3),* 44-6.

Kaplan, R.S., & Norton, D.P. (2006). How to implement a new strategy without disturbing your organization. *Harvard Business Review*. 102.

Kiruthi, J.N. (2001). *The State of Strategic Management Practices in Non-Profit Making Organizations: The case of Public Membership Clubs in Nairobi.* Unpublished MBA Project, University of Nairobi.

Kothari, C.R. (2004). *Research methodology; methods and techniques.* (2nd ed.). New Delhi: New Age International (P) Limited Publishers.

Lynch, R. (2000). *Corporate Strategy*. (2nd ed.). England: Financial Times-Prentice Hall.

Machuki, N. V. (2005). *Challenges of strategy implementation at a CMC motors group limited.* Unpublished MBA Project, University of Nairobi.

Martins, E. C., & Terblanche. F. (2003). Building organisational culture that stimulates creativity and innovation. *European Journal of Innovation Management*. 6 (1), 64 – 74.

McCarthy, J., & Curran, R. (1996). *Business Policy and strategy: concepts and readings* (4th ed.). New York: Irwin.

Myrna, J.W. (2012*).* A rolling stone gathers no moss: prevent your strategic plan from stagnating. *Business Strategy Series.13 (3),* 136 – 142.

Mugenda, A., & Mugenda, O. (2003). *Research Methods: Quantitative and Qualitative Approaches.* Nairobi: ACTS Press.

Nixon, M. O. (2010). *Challenges of Strategy Implementation at Kenya Ferry Services Ltd*. Unpublished MBA Project School of Business, University of Nairobi, Kenya.

Ngumo, W.K. (2001). *Strategy Implementation at the city council of Nairobi.* Unpublished MBA Project, School of Business, University of Nairobi.

Njiru A.N. (2012). *Challenges of strategic plan implementation at the Bank of Africa Kenya Limited.* Unpublished MBA thesis. University of Nairobi.

Nyariki, K.N. (2012). *Challenges of strategy implementation at the University of Nairobi.* Unpublished MBA thesis. University of Nairobi.

Ocholla, M. A. (2010). *Challenges of strategy implementation at the Kenya medical research institute.* Unpublished MBA project, School of Business, University of Nairobi.

Okumus, F. (2003). A Framework to implement Strategies in Organizations. *A Journal of Management Decisions. 41(9),* 19-27.

Oketch, M.O. (2004). The emergence of private university education in Kenya: trends, prospects and challenges. *International Development of educational development* journal. *24,* 119-136.

Olson, E.M., Slater, S.F. & Hult, G.T. (2005). The Importance of Structure and Process to Strategy Implementation, *Business Horizon*. *48*, 47-54.

Owen, A.A. (1982). How to implement strategy, management today. *Journal of Management.* 50-53.

Pearce, J.A., & Robinson, R.B. (2003). *Strategy Formulation and Implementation* (4th ed.). New York, NY: McGraw-Hill, Inc.

Pearce, J.A., & Robinson, R.B. (1997). *Strategic Management: Formulation, Implementation and Control.* Boston, USA: Irwin McGraw –Hill.

Porter, M.E. (1980). *Competitive Strategy: Techniques for Analyzing Industries and Competitors.* New York: Free Press.

Schultz, R.L., Slevin, D. P., & Pinto, J. K. (1987). Strategy and tactics in a process model of project implementation. *Interfaces. 17 (3),* 34-36.

Shaap, J. I. (2006). Towards strategy Implementation Success: An Empirical Study of the Role of Senior Level Leaders in Nevada Gaming Industry. *UNLV, Gaming Research & Review Journal.* 13-37.

Strathmore University. *(*2005). *Strategic plan (2005-2014).*

Tan, Y. (2004). *Barriers to strategy implementation: A case study of Air New Zealand* (Published Master Thesis). University of Auckland: New Zealand. Retrieved http://www.aut.researchgateway.ac.nz/bitstream/10292/192/2/TanY.pdf on 02/05/2011.

Thompson, J.A., & Strickland, A. J. (1989). *Strategy Formulation and Implementation* (4th ed.). New York, NY: McGraw Hill.

Wang, Y. (2000). *"Strategy Implementation"*, Seminar Study in Strategy International Business, Helsinki University of Technology, Institute of Strategy and International Business (Unpublished report).

Weihnrich, H., & Kootzn, H. (1993). *Management: A Global Perspective.* 10th Ed. New York, NY: McGraw Hill.

Yin, R. (1994). *Case Study Research: Design and Methods.* London: Thousand Oaks.

Zulfiqar, D. (2010). *Strategy Implementation Solution for a Medium Sized Company* (Published Master Thesis). University of Applied Sciences. Helsinki: Finland. Retrieved from http://www.aabi.info/getfile.asp on 05/06/2011.

APPENDICES

APPENDIX 1: INTRODUCTION LETTER

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 30/09/2014

TO WHOM IT MAY CONCERN

The bearer of this letter RIUNGU ANN MAKENA

Registration No. D61/60704/2013

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.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
30 SEP 2014
P.O. Box 30197 - 00100, NAIROBI

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

APPENDIX II: INTERVIEW GUIDE

CHALLENGES OF STRATEGY IMPLEMENTATION AND MEASURES TAKEN AT STRATHMORE UNIVERSITY.

PART A: Strategy Implementation

1. Does department/ school have a strategic plan? And are your strategic goals linked to that of the University corporate strategy?

2. Does the central administration of the University support you in implementing your strategies? Does it recognize and make use of abilities and skills of staff in the organization? How sensitive is the administration to the employees' problems?

3. Increased sophistication of the Kenyan economy demands more skilled personnel to meet the needs of a more enlightened public. What plans do you have to ensure that the University has adequate and skilled manpower?

4. For any strategy to be implemented there should be teamwork: Is teamwork encouraged and practiced at Strathmore University? Does your employer put more emphasis on individual success or teamwork?

5. Is planning one of the ingredients of strategic management at Strathmore University? How are plans being implemented in the organization?

PART B: Challenges of Strategy implementation and measures taken

6. What are some of the serious challenges that the institution has been experiencing in strategy implementation? What are the main causes of these challenges?

7. Does the University have the right facilities for communication to staff? Is there a communication problem in the University? Do the university employees have the right information to enable them implement strategies?

8. Does Strathmore University always make use of appropriate technology to improve efficiency? What are some of the appropriate technology in use at Strathmore University? How is the University dealing with the challenge of rapid technological changes?

9. Are employee representatives involved in strategy formulation? What role do they play in the implementation process? How often is feedback on strategy implementation communicated to your employees?

10. What factors have influenced the speed of implementation of the strategic plan? To what extent are employees committed to strategy implementation? How does the University avail the resources committed for implementation of the strategic plan?