

**IMPLEMENTATION OF STRATEGY AT KENYA ROADS
BOARD**

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DECLARATION

This research project is my original work and has not been presented before for the award of a degree in any other University

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DEDICATION

This work is dedicated to my family for their unrelenting support. It is also dedicated to my children as an inspiration for them to work hard in pursuit of their careers.

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ABBREVIATIONS AND ACRONYMS

CDF:	Constituency Development Fund
CRC:	Constituency Roads Committee
ED:	Executive Director
GoK:	Government of Kenya
ICT:	Information and Communication Technology
ISO:	International Standards Organization
KeNHA:	Kenya National Highways Authority
KeRRA:	Kenya Rural Roads Authority
KBS:	Kenya Bureau of Standards
KRB:	Kenya Roads Board
KURA:	Kenya Urban Roads Authority
MP:	Member of Parliament
MTP:	Medium Term Plan
OST:	Open Systems Theory
RMI:	Road Maintenance Initiative
RMLF:	Road Maintenance Levy Fund
RoK:	Republic of Kenya

ABSTRACT

Strategy implementation is complex and is accompanied with a lot of challenges that organizations need to manage to ensure smooth execution of their strategic plans. Strategies are critical in organizational functioning, but whereas most organizations have good strategies, successful strategy implementation remains a major challenge. This challenge needs to be addressed, because even the best strategy would be ineffective if not implemented successfully and hence the overall results may not be achieved as expected. The objective of the study was to determine how Kenya Roads Board implements its strategy and to establish the measures taken by KRB to deal with challenges of strategy implementation. The research design was a case study and the data collection tool was an interview guide. Data was collected from the respondents through personal interviews and content analysis was used to analyze the collected data which was qualitative in nature. The respondents interviewed were from the four topmost levels of management in the organization. The findings of the study indicated that KRB has a well-articulated strategy that has adopted strategic management practices such as continuous monitoring and evaluation systems, employees reward mechanisms, use of annual action plans, among others. The study also established that Strategy implementation appears to be the most difficult part of strategic management process and some strategies failed at the implementation stage. Some of the challenges to strategy implementation identified were insufficient resources, and poor communication. However the greatest challenge to strategy implementation in KRB was from external stakeholders and to a larger extent government decisions which impact directly on the organization. This has delayed the implementation of some strategies, while others had to be dropped midway as government policy changed.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Today's organizations operate in a constantly changing and at times turbulent environment which makes it necessary to continuously adapt their activities for survival through formulation and implementation of strategy. Many companies, small and large, spend a lot of resources on formulation of strategy since it is known that successful implementation of well formulated strategies produces superior performance. However, implementation of strategy is a more difficult task which is illustrated by the unsatisfying low success rates. Mintzberg and Quinn (1991) stated that 90% of well formulated strategies fail at implementation stage.

Numerous studies acknowledge that strategies frequently fail not because of inadequate strategy formulation but because of insufficient implementation. Strategy implementation is complex and is accompanied with a lot of challenges which organizations need to manage. Thompson, Strickland and Gamble (2008) observed that there is no one universal approach to strategy implementation. Therefore when it comes to strategy implementation, each organization's implementation process should be unique. Management should realize that for successful strategy implementation, the process needs to be tailored to different situations and circumstances under which each organization operates.

Strategy implementation has become one of the most significant management challenges which most corporations face at the moment. In Kenya, many public sector organizations have very well crafted strategies, however difficulty arises in the implementation of these strategies. This research is focused on implementation of

strategy at Kenya Roads Board which is a state corporation established in 1999 to oversee the road network in Kenya and to coordinate its rehabilitation, development and maintenance, and to be the principal advisor to the Minister of Roads on all matters related thereto.

1.1.1 Strategy Implementation in organisations

Strategy implementation is concerned with the translation of strategy into action (Johnson & Scholes, 2002). It involves the organization of resources and motivation of staff in order to achieve the objectives and key performance indicators set out in the strategic plan. Formulating a consistent strategy and making that strategy work is a difficult task for any management team. The principal tasks of strategy implementation include building a capable organization, allocating ample resources to strategy critical activities, establishing strategy supportive policies and procedures, instituting best practices and mechanisms for continuous improvement, relying on middle and lower level managers to get things done, installing support systems enabling personnel to carry out their strategic roles successfully, tying rewards and incentives tightly to achievement of key objectives, creating supportive culture and exerting strategic leadership (Thompson & Strickland, 2002). Effective strategy implementation results when an organization's resources and actions are tied to strategic priorities and set objectives achieved, and when key success factors are identified and performance measures and reporting are aligned.

Strategy implementation is informed by various theories which include the resource based theory of the firm, Institutional theory, open systems theory, Mc Kinsey 7's framework, and Industrial Organization theory, among others. The Open Systems Theory (OST) postulates that as organizations and communities conduct their

business they influence and change their external environments, while at the same time they are being influenced by external changes in local and global environments (Pfeffer&Salancik, 2003) while the Institutional Theory outlines the internal challenges that inhibit strategy implementation and explains why institutions behave the way they do. McKinsey 7s framework maps seven internal aspects of an organization that need to be aligned to ensure successful strategy implementation (Kaplan, 2005). These aspects are further divided into two groups depending on the ease of identification and the ability to influence them. The two groups are namely hard elements which entail strategy, structure and systems and soft elements which are style, skills, staffing and shared values.

1.1.2 The Road Infrastructure industry

The poor roads condition in the late 1980s prompted the Government of Kenya to address issues of governance in the road sub-sector. The Government adopted the recommendations of the Road Management Initiative, a study on the sustainable maintenance of roads in Sub-Saharan Africa countries funded by the World Bank. The study had established that for a country's road sector institutional arrangement to be functional and sustainable, four basic principles must be satisfied which are creating ownership, assigning of responsibilities, creation of a secure and stable financing for the sector and introduction of sound business practices in the sub-sector (Heggie, 1995).

The Road Maintenance Levy Fund (RMLF) was introduced in 1993 to provide the much needed stable financing and Kenya Roads Board (KRB) was established in 1999 to provide ownership. The development and adoption of sessional paper no. 5 of 2006, on management of the roads sub-sector for sustainable economic growth led to

the enactment of Kenya Roads Act 2007 which created three road authorities namely, the Kenya National Highways Authority (KeNHA), Kenya Rural Roads Authority (KeRRA) and Kenya Urban Roads Authority (KURA) mandated with development, construction, rehabilitation and maintenance of the road network under each tier. The road authorities also embraced outsourcing for provision of services which entrenched business-like management in the sub-sector (KRB, 2013).

The performance of the road sub-sector has become commendable with the establishment of a performance framework whose outputs are linked to strategic outcomes, setting of standards and service levels as well as Performance based contracts for the development construction, rehabilitation and maintenance of roads. The sub-sector has also seen tremendous growth in budgetary financing from about Kshs. 25 billion in 2006 to Kshs. 104 billion in 2012 (GoK, 2012). Consequently the paved road network expanded from 2,000 km in 1963 to over 14,000 km in 2014, while the unpaved network expanded from 43,000 km to over 140,000 km bringing the total classified public roads network to 161,451km. Road transport is currently the predominant mode of transport which accounts for 93% of all cargo and passenger traffic in the country annually (MoR, 2010).

1.1.3 Kenya Roads Board

The Kenya Roads Board (KRB) was established through an Act of Parliament, KRB ACT No. 7. of 1999 to oversee the road network in Kenya and coordinate the maintenance, rehabilitation and development funded by the fund and to advise the Minister on all matters related thereto. KRB administers the fuel levy fund which is a dedicated fund for road maintenance, rehabilitation and development. This is done through funding of Road Agencies that engage and supervise contractors for

construction and maintenance of roads in Kenya. The Board disburses funds collected from fuel levy annually to the road agencies as per the allocations stipulated for in the act: forty per cent (40%) to Kenya National Highways Authority; thirty two per cent (32%) to Kenya Rural Roads Authority; fifteen per cent (15%) to Kenya Urban Roads Authority; one per cent (1%) to Kenya Wildlife Service. (RoK, 2012)

The main functions of the Board are to: co-ordinate the optimal utilization of the Fund in implementation of programmes relating to the maintenance, rehabilitation and development of the road network; Seek to achieve optimal efficiency and cost effectiveness in road works funded by the Fund; manage the Fund; monitor and evaluate by means of technical, financial and performance audits the delivery of goods, works and services funded by the Fund; recommend to the minister appropriate levels of road user charges, fines, penalties, levies or any sums required to be collected under the Road Maintenance Levy Fund Act, 1993 and paid into the Fund; recommend to the Minister such periodic reviews of the Fuel Levy as are necessary for the purposes of the Fund, and identify, quantify and recommend to the Minister such other potential sources of revenue as may be available to the Fund for the development, rehabilitation and maintenance of roads among others (RoK, 2012).

KRB is currently implementing its third strategic plan 2013-2017. The first strategic plan was for 2006-2008 when performance contracting was introduced in the public service by the Government of Kenya, and the second one was for 2008-2012 which was aligned to the 1st medium term plan (MTP) of Kenya's country strategy for development namely Kenya Vision 2030 (KRB, 2013).

1.2 Research Problem

Strategic management involves strategy formulation, implementation and control. Although good strategies have been formulated by many companies, by experience very little has been achieved in their implementation (Kaplan & Norton, 2001). There are many factors which impact on successful strategy implementation that make it a difficult task to achieve. Strategies differ between organisations due to the different operating environments and challenges that each face. The difference in strategy is also replicated within the implementation of strategy across each organisation.

Infrastructure is a major contributor to a country's economic and social development. In Kenya, road infrastructure is the predominant mode of transport for both cargo and passengers; however a large portion of the road network in Kenya is either in poor or failed condition and requires urgent rehabilitation to restore it to a maintainable condition. Changes in the operating environment such as increased inflation, economic performance, changes in the global markets, social and political trends and developments have necessitated KRB to critically review its strategic direction to ensure continual relevance and delivery of effective services (KRB, 2013).

Various scholars have undertaken studies on strategy implementation in organizations. Jeptoo (2012) carried out a study which focused on determining strategy implementation at Kenya National Highways Authority, Mbaabu (2012) carried out a study which focused on evaluating Strategy Implementation at the Deposit Protection Fund Board, Tai (2007) carried out a study which focused on determining the strategy implementation practices at Kenya Ports Authority. The findings of the studies revealed that strategy implementation across the organizations differed and there was no one standard approach to implementation, although some

factors affecting the implementation of strategy were replicated in all organisations such as poor communication and lack of reward systems. According to Kiruthi(2001), all organizations must grapple with the challenges of changing environment in which they operate. Whatever the process, each organization ends up with a strategy.

From the above, it is clear that there is no one standard approach to the implementation of strategy across organisations and whereas the concept of strategic management in Kenya has been widely researched in the past decade, none had been conducted on Kenya Roads Board and in particular on strategy implementation. What is the nature of strategy implementation at Kenya Roads Board?

1.2 Objectives of the study

The objectives of this study are: -

- 1) To establish how Kenya Roads Board implements its strategy.
- 2) To establish the measures taken by KRB to deal with challenges of strategy implementation.

1.3 Value of the Study

This study contributes to the existing body of knowledge in the area of strategy implementation and paves the way for further research by providing a source of reference in future studies and research. The study may be used to guide management practice and help managers who use the study results to improve on strategy implementation in their organizations. This can enable managers internalize the subject of strategy implementation and the processes involved thereby making it easier for them to manage their organizations more efficiently.

The findings of the study fills the existing information gap in strategy implementation at KRB by identifying the challenges of strategy implementation and how best to resolve them. The study findings can also be used to better position the organization in the right direction by using the information in future strategy formulation and implementation processes to overcome any foreseen challenges.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This Chapter highlights the major issues relating to strategy implementation and summarizes information from other researchers who have carried out their research in the same field of study. The literature review discusses theories relevant to the study and guides the relevance of the study findings. The chapter covers the following areas; theoretical underpinning, concept of strategy, strategic management, strategy implementation, factors influencing strategy implementation, and the measures to deal with challenges in strategy implementation.

2.2 Theoretical Foundation

Theories form the basis on which a study is undertaken. This study is based on three main theories namely open systems theory, institutional theory, and Mc Kinsey 7's framework.

Open Systems Theory (OST) postulates that as organizations and communities conduct their business they influence and change their external environments, while at the same time they are being influenced by external changes in local and global environments in a two-way influential change known as active adaptive change (Pfeffer&Salancik, 2003). Organizations and communities are open systems; changing and influencing each other over time.

Institutional theory states that organizations exist in an institutional environment which defines and delimits its social reality. The theory considers the processes by which structures, including schemes, rules, norms, and routines, become established as authoritative guidelines for social behaviour. Different components of institutional

theory explain how these elements are created, diffused, adopted, and adapted over space and time; and how they fall into decline and disuse. DiMaggio and Powell (1983) are some of the institutional theorists who assert that the institutional environment can strongly influence the development of formal structures in an organization, often more profoundly than market pressures. Innovative structures that improve technical efficiency in early-adopting organizations are legitimized in the environment. Ultimately these innovations reach a level of legitimization where failure to adopt them is seen as "irrational and negligent" (or they become legal mandates). At this point new and existing organizations will adopt the structural form even if the form doesn't improve efficiency. This theory is built on the concept of legitimacy rather than efficiency or effectiveness as the primary organizational goal (McAdam&Scott, 2004).

Mc Kinsey 7's framework is based on the theory that, for an organization to perform well, seven internal organizational elements (strategy, structure, systems, shared values, skills, style and staff) need to be aligned and be mutually reinforcing. The model is used to help identify what needs to be realigned to improve performance, or to maintain alignment (and performance) during other types of change. It can also be used to help analyze the current situation and a proposed future situation to identify gaps and inconsistencies between them. (Peters & Waterman, 1982)

2.3 The Concept of Strategy

Strategy, like many other concepts in the field of management means different things to different people and organizations and there is no generally agreed definition of strategy. Chandler (1962) views strategy as a determination of the basic goals and objectives of an enterprise, the adoption of the courses of action, and allocation of

resources necessary to carry out these goals. Mintzberg and Quinn (1991) described strategy as a plan or a pattern that integrates organization's major goals, policies and actions into a cohesive whole. Ansoff (1965) views strategy in terms of market and product choices. He came up with a strategic grid that compared market penetration strategies, product development strategies, market development strategies and vertical and horizontal integration and diversification strategies which management could use as strategies to systematically prepare for future opportunities and challenges.

Thompson and Strickland (2002) defined strategy as the game plan that management is using to stake out market position, conduct its operation, attract and please customers then compete successfully in order to achieve organizational objectives. Porter (1996) defines strategy as a creation of unique and vulnerable position of trade-offs in competing, involving a set of activities that neatly fit together, that are simply consistent, reinforce each other, and ensure optimization of effort. It is a company's game plan which results in future oriented plans interacting with the competitive environment to achieve the company's objectives. Strategies exist at the level of corporate strategy, business unit strategy or operational strategy.

2.4 Strategic Management

According to Pearce and Robinson (1997) strategic management is a set of decisions and actions that result in the formulation and implementation of plans designed to achieve company's objectives. According to Thompson and Strickland (2002) strategic management is a managerial process of forming a strategic vision, setting objectives, crafting a strategy; implementing and executing the strategy and then overtime initiating whatever corrective adjustment in the vision, objective, strategy and execution are deemed appropriate.

The complexity and sophistication of business decision-making requires strategic management firms to confront new challenges that are numerous, discontinuous, diverse and complex. Different organizations in different contexts are likely to experience different aspects of the strategic management process (Johnson & Scholes, 1999). Today, strategic management has moved beyond for-profit business organisations to include governmental agencies, hospitals and other not for-profit organisations. Although strategic management in not-for-profits has not been well researched as that in for-profit organisations, we know that it is important for these organisations as well (Robbins & Coulter, 2004).

2.5 Strategy Implementation

Strategy implementation is a process by which management translates strategies and policies into action by development of programs, budgets and procedures, which may involve changes within the overall culture, structure and/or the management system of the organization (Bryson, 1995). Strategy implementation requires a firm to establish annual objectives, devise policies, motivate employees, and allocate resources so that formulated strategies can be executed. Implementation includes creating an effective organizational structure, redirecting marketing efforts, preparing budgets, developing and utilizing information systems, and linking employee compensation to organizational performance (Pearce & Robinson, 2005). The organization must also match the strategy to its resources in order to meet its objectives. For successful strategy implementation, critical resources – whether physical, financial or human resources must be allocated to the process and the allocation criteria are based on the contribution of the proposed resources to the ultimate achievement of the firm's goals and objectives (Porter, 1980).

The goal of strategy implementation is to unite total organization behind strategy, see that activities are done in a manner that tightly matches requirements. Porter (1980) outlined that effective strategy implementation should consist of a translation of the strategy into more detailed policies understood at the functional level of the firm. Strategy should be properly operationalized and institutionalised in an organization for effective implementation. Operationalization of strategy involves developing operational plans through which strategy will be implemented. It happens at functional and operational levels and is more specific and short term unlike corporate strategy. It involves recasting and translating the strategy into shorter time frames appropriate for implementation. Institutionalization of strategy involves matching strategy to the institutions of the organization. It is what is required to implement a strategy and should be built into the organizations structure, leadership, culture, support systems, processes and policies. All new strategies should be institutionalized.

As strategy is implemented in a changing environment, execution must be controlled and evaluated if strategy is to be successfully implemented and adjusted for changing conditions (Pearce & Robinson, 2005). The implementation of strategy also requires the managing of strategic change (Johnson & Scholes, 1999). Strategy implementation situations occur in a different context, affected by differing factors such as business practices and competitive situations, work environments and cultures, policies, compensation incentives, mixes of personalities and firm histories. The approach to implementation should therefore be customized (Thompson & Strickland, 2002).

2.6 Factors that influence strategy implementation

Turning theory into practice by making things happen and translating strategic plans into real business results are some of the management challenges greatest faced by organizations of all sizes. Organizational characteristics that act as challenges to strategy implementation include structure, culture, leadership, policies, reward, ownership of the strategy among others (Burnes, 2004). This section covers human resources, organizational structure, leadership, culture, policies, reward and control systems, communication within the organization, and resources allocation.

Johnson and Scholes (2005) remarked that perhaps the most important resource in an organization is its people; the employees. The roles people play, how they interact through formal and informal processes and relationships that they build are crucial to the success of strategy. Strategic change is the movement of an organization from its present state toward some desired future state to increase its competitive advantage (Hill & Jones, 1999). Most of the strategic and operational initiatives fall short of expectations because change resistant employees drag their feet in executing their part of the strategy, middle level managers are unable to drive the changes and the senior managers fail to provide support for the initiatives.

According to Ansoff (1990), an organization structure is part and parcel of its internal capability and therefore has the potential of either facilitating or impeding successful strategy implementation. Structure is the ideological glue that holds the organization together, enhancing ability to pursue strategy on one hand, but sometimes impeding strategy on the other (Mintzberg, 1991). Organizations that are successful at implementing strategy ask if their intended strategy fits their current structure, and also whether the organization's current structure is appropriate to the intended

strategy. Failure to address issues of structure can at minimum, constrain strategy implementation and performance (Johnson & Scholes, 2005). A new strategy for implementation calls for organization structure adjustments in line with the new strategy.

Poor leadership can hinder the successful implementation of strategy. Strategy implementation requires leaders who can influence members of the organization to focus their effort in the same direction through teamwork. The CEO's actions and the perceived seriousness of his or her commitments to the chosen strategy, particularly if that strategy represents a major change, significantly influence the intensity of subordinate managers' commitment to implementation (Pearce & Robinson, 2000). A lack of leadership, and specifically strategic leadership, at the top of the organization has been identified as one of the major barriers to effective strategy implementation. Even the best strategy can fail if a corporation does not have a cadre of leaders with the right capabilities at the right levels of the organization.

Culture influences the actions of employees to support strategy implementation. Every organization has a unique culture. It has its own special history of how it has been managed, its own set ways of approaching problems and conducting activities, its own mix of managerial personalities and styles, its own established patterns of "how we do things around here", its own experiences of how changes have been instituted (Thompson & Strickland, 2002). Organizational culture needs to be compatible with the strategy being implemented. Aosa(1992) states that it is important that the culture of an organization be compatible with the strategy being implemented because where there is incompatibility between strategy and culture, it can lead to

ahigh organizational resistance to change and de-motivation of employees, which in turn frustrate the strategy implementation effort.

Policies of an organization need to be supportive of strategy since they control decisions while defining allowable discretion within which operational personnel can execute operational activities. Changes in strategy generally call for some changes in how internal activities are conducted and administered; asking people to alter actions and practices always upsets the internal order of things and creates pockets of resistance. Revised policies promulgate standard operating procedures that facilitate strategy implementation and counteract any tendencies for parts of the organization to resist or reject the chosen strategy (Thompson & Strickland, 2002).According to Ansoff and Mc Donnell (1990), one source of difficulty in the strategy process comes from the fact that in most organizations, the pre- strategy decision making processes are heavily political in nature. State Corporations are greatly influenced by government directives and regulations which pose a serious challenge since government may impose a strategy that conflicts with management's selected position. Johnson and Scholes (2002) assert that government regulations, taxation policies, foreign trade regulations, social welfare policies and expectations play a role in an organisation's choice of strategy.

Pearce and Robinson (2000) argue that the implementation of strategy ultimately depends on individual organizational members, particularly key managers, and motivating and rewarding good performance by individuals and organizational units are key ingredients in effective strategy. Incentives such as salary raise, fringe benefits, promotions, recognitions among others can motivate employees to push hard

for success in strategy implementation. Johnson and Scholes (2002) emphasize on putting efforts in linking organization's reward system to strategic performance. Another important factor in strategy implementation is monitoring and control. Monitoring and controlling the plan includes a periodic look to see if you're on course. It also includes consideration of options to get a strategy back on track once derailed.

According to Johnson and Scholes (2002), communication is a key success factor within strategy implementation. It helps ensure that goals are understood, instructions are disseminated and feedbacks from various units and personnel received. Support systems such as communication and technology directly and indirectly reinforce strategy implementation. Most organizations lack two way communication which permits and solicits continuous feedback from employees on issues related to strategy implementation. Lack of proper communication channels constrains flow of information to employees on new requirements, tasks and activities to be performed towards successful strategy implementation.

Resources are best allocated according to the key issues and priorities identified in a company's strategy hence the importance of specifying strategy before budgets are developed. Aosa (1992) noted that companies which maintained links between strategy and budgets were significantly more successful in implementing strategy as opposed to those not maintaining such links. According to Thompson and Strickland (1992), depriving strategy-critical organization units of the funds needed to execute their part of the strategic plan can undermine the implementation process. In many firms, strategic planning is so divorced from budgeting such that budget preparation

precedes strategy formulation and this leads to failure to allocate adequate financial resources for strategy implementation.

2.7 Challenges of Strategy Implementation

Thomson and Strickland (2003) states that strategy implementation challenge is to create a series of tight fits between strategy and the organization's competences, capabilities and structure, between strategy and budgetary allocations, between strategy and policy, between strategy and internal support system, between strategy and the reward system and between strategy and the corporate culture.

It is increasingly acknowledged that lack of top management backing is not the main inhibiting factors to effective strategy implementation. According to Aaltonen and Ikavalko (2002), the major challenges to be overcome appear to be more cultural and behavioural in nature, including the impact of poor communication and diminished feelings of ownership and commitment. When culture influences the actions of the employees to support current strategy, implementation is strengthened. According to Thompson and Strickland (2002), it is the strategy implementer's task to bring the corporate culture into alignment with the strategy and keep it there once a strategy is chosen. It is also important to align strategy with organization's resources.

An effective measure for dealing with challenges of strategy implementation would be to have a good strategy since effective execution is impossible if strategies are flawed. Challenges that occur during the implementation process of a strategy are an important area of research because even the best strategy would be ineffective if not implemented successfully (Machuki, 2005). Also many challenges in strategy implementation can be avoided if strategy development is coupled with implementation. Linkage is an important factor that informs the coordination for

strategic implementation which is simply tying together of all the activities of the organization to make sure that all of the organizational resources are moving in the same direction.

According to Robin and Coulter, (1996) structure in an organization refers to the formal framework by which tasks are organized and coordinated. Choosing a proper structure is an important measure in dealing with challenges of strategy implementation. The roles, responsibilities and lines of reporting in organizations are an important influence on the success or failure of strategy. According to Machuki (2005), successful strategies require properly marched organization structure. If an organization significantly changes its strategy, it needs to make appropriate changes in its overall structural design since its existing organization structure may become ineffective. An organizational structure appropriate for the efficient performance of the required tasks must be made effective by information systems and relationships permitting coordination of subdivided activities. Symptoms of an ineffective Organization structure include too many people, too much attention being directed towards solving interdepartmental conflicts, too large a span of control, too many unachievable objectives

Those organizations that are successful at implementing strategy give thought to their organizational structure. They ask if their intended strategy fits their current structure, and they ask a deeper question as well, that is, whether the organization's current structure is appropriate to the intended strategy (Okumus, 2001). Resource allocation of an organization is dependent on the kind of structure the organization has. There is no one optimal organization design or structure for a given strategy or type of an organization (David, 2003). When coming up with the organization structure,

clarifying responsibility and accountability is vital to making strategy work. Job-related responsibilities are not always clear, and even authority is not always unambiguous. Responsibility and accountability are often blurred when people from different divisions, functions, or hierarchical levels come together to solve a problem. To execute strategy, responsibility and accountability must be clear. Use of a responsibility matrix or similar tool can help to define key execution tasks or activities and the people responsible for them. Without this clarification of roles and responsibilities for critical tasks, decisions, and outcomes, making strategy work is difficult (Kaplan and Norton, 2001).

Human resource is important in strategy implementation. Organizations successful at strategy implementation consider the human resource factor in making strategies happen. Engaging the right staff with the right skill set and attitude is important for success in strategy implementation. Successful strategy implementation involves empowering others to act on doing all things needed to put strategy into place and to execute it proficiently (Thompson & Strickland, 2002). As much as possible, the leadership of the organization should fill relevant positions with qualified people committed to the change efforts (Bryson, 1995). Engaging the right leaders with the appropriate strategic leadership skills goes a long way to successful implementation of strategy.

Managing change is another way of dealing with challenges in strategy implementation. Strategic change is the movement of an organization from its present state to toward some desired future state to increase its competitive advantage (Hill & Jones, 1999). To avoid power struggles between departments and within hierarchies, one should create a plan with clear assignments of responsibilities regarding detailed

implementation activities.

The creation of strategy, objectives, structure, accountabilities, and coordinating mechanisms is not sufficient to ensure that individuals embrace the goals of the organization. Reward mechanisms are needed to offer incentives that motivate or guide performance and support the key aspects of the strategy-execution model. Controls provide timely and valid feedback about organizational performance so that change and adaptation become a routine part of the implementation effort. Controls allow for the revision of execution-related factors if desired goals are not being met (Heracleous, 2000). Monitoring and controlling the plan includes a periodic look to see if you're on course. It also includes consideration of options to get a strategy once derailed back on track. Those options include changing the schedule, changing the action steps, changing the strategy or changing the objective (Schaap, 2006).

The most important problem experienced in strategy implementation in many cases is lack of sufficient communication (Muthuiya 2004). Lack of understanding of a strategy is one of the obstacles of strategy implementation (Aaltonen and Ikavalko, 2001). Implementation of a strategy requires that the strategy be clearly communicated and understood by the implementer. Clear understanding of a strategy gives purpose to the activities of each employee and allows them to link whatever task is at hand to the overall organizational direction (Byars, 1996). However, the problem in understanding arises when it comes to applying strategic issues in the day to day decision making.

Alexander (1985) identifies inadequate planning and communication as the major contributors to unsuccessful implementation of strategies. Aaltonen and Ikavalko (2001) state that the amount of strategic communication in most of the organizations

is large, both written and oral communication is used in form of top down communications. However, a great amount of information does not guarantee understanding and there is still much to be done in the field of communicating strategies. According to Wang (2000), communication should be two way so that it can provide information to improve understanding and responsibility and to motivate staff. Communication is important since the way in which a change is presented to employees is of great influence to their acceptance of it. To deal with this critical situation, an integrated communications plan must be developed. Such a plan is an effective vehicle for focusing the employees' attention on the value of the selected strategy to be implemented. It is recommended that an organization institute a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy in order to ensure smooth strategy implementation. In addition, the communications should tell employees about the new requirements, tasks and activities to be performed by the affected employees and the reason behind changed circumstances (Alexander, 1985). It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion.

It is important to align strategy with organization resources. Once a strategy option has been settled upon, management attention turns to evaluating the resource implications on strategy (Campbell et al, 2002). It is therefore possible to implement strategies with resources available and it is not possible to implement strategy which requires more resources than can be made available. Technology is a resource that increasingly continues to be at the core of every organizational change and constitutes major challenge in the organization of today. Organizations should incorporate the latest technologies in designing and implementing their strategies as it determines the

rate of strategic development.

According to Koske (2003), leadership is considered to be one of the most important elements affecting organizational performance. Leadership ensures the unity and direction in goal attainment. Bartlett and Goshal (1996) recommend middle managers to take up the role of building capabilities, providing support and guidance through the encouragement of entrepreneurial attributes. Managers must define the terms and persuade employees to accept them, it may be unrealistic for managers to expect employees to fully buy into the changes that alter the present state therefore leading to resistance to change. The leadership must drive the process of change far enough in order to alter employee's perception and hence bring about revised personal impacts. Redefining employee's commitment to new goals in terms that everybody can understand and act on is an act of great transformational leadership. Organizational politics are tactics that strategic managers engage in to obtain and use power to influence organizational goals and change strategy and structure to further their own interests (Hill and Jones, 1999). Wang (2000), states that it is important to overcome the resistance of powerful groups because they may regard the change caused by new strategy as a threat to their own power.

Policies to be followed in strategy implementation need to be clearly spelt out during the implementation process. Guidelines, rules, procedures and ideal framework must be set up as the basis of strategy implementation failure to which implementing a strategy may be difficult. Thompson Jr. and Strickland (1989), state that changes in how internal activities are conducted and administered will be a strategy implementation challenge since policies act as a lever for institutionalizing strategy supportive practices and operating procedures on an organization wide basis therefore

pushing day-to-day activities in the direction of efficient strategy execution. Policy helps to shape the characters of internal work climate and to translate the corporate philosophy into how things are done, how people are treated, and what the corporate beliefs and attitudes mean in terms of everyday activities. Some policies may be rigid therefore posing as a challenge to strategic implementation.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out the stages followed in undertaking the study. This section presents the procedures and techniques used in collecting, processing and analysis of data so as to achieve the objectives of the study. The following subsections were covered; research design, data collection methods and procedures; and finally data analysis.

3.2 Research Design

The research was conducted through a case study. A case study involves a careful and complete examination of a social unit, institution, family, cultural group or an entire community and embraces depth rather than breath of a study. The method deals with the processes that take place and their interrelationship. The essence of the case study method is to locate the factors that account for the behaviour patterns of the given unit as an integrated totality (Kothari, 2002). According to Robinson (2002) a case study design should be considered when: the focus of the study is to answer "how" and "why" questions; one cannot manipulate the behaviour of those involved in the study; one want to cover contextual conditions because they believe they are relevant to the phenomenon under study; or the boundaries are not clear between the phenomenon and context.

The case study design was used since it gave anintensive investigation of KRB as a unit of analysis. The design enabled the researcher have an in-depth understanding of the behaviour pattern towards building a profile on strategy implementation at the Kenya Roads Board. It involved an in depth investigation of how strategy is

implemented in KRB and how to deal with the implementation challenges. This research design has been successfully used in similar studies by Jeptoo (2012), Mbaabu (2012), and Tai (2007).

3.3 Data Collection

The research used both primary and secondary data. Primary data was collected using a semi structured interview guide (see appendix). The semi-structured interview guide is one with predetermined questions with an open-ended format that are asked to all informants in the same manner (York, 1998). In a semi-structured interview, open-ended questions provide the interviewer with greater freedom and less restriction. Personal interviews were carried out after Permission from the organization was sought and consent from individual managers requested through a formal introduction letter (see appendix). One research assistant was used to administer the interview guide. The data collected was of qualitative nature and was collected from 4 persons in the 4 topmost levels of management responsible for strategy implementation. These levels are the Board of Directors, the Executive Director, General, and Manager.

The data collected was recorded by writing the responses as provided by the respondents and stored as evidence in a comprehensive and systematic way, in formats that can be referenced and sorted, so that converging lines of inquiry and patterns could be uncovered. Secondary data was obtained from reviewing previous strategic plans for the organization and printed records.

3.4 Data Analysis

The data collected was analysed in accordance with the objectives of the study. Before processing the responses, data will be evaluated and edited for completeness,

consistency, usefulness, credibility and adequacy (Kothari, 2002). In case studies the researcher examines raw data using many interpretations in order to find linkages between the research object and the outcomes with reference to the original research questions. By creating matrices of categories, researchers use the quantitative data that has been collected to corroborate and support the qualitative data which is most useful for understanding the rationale or theory underlying relationships.

Content analysis technique was used to analyze the data because this study collected data that was qualitative in nature. Analysis involved searching for patterns of relationships that existed among data groups. Content analysis is defined by Mugenda and Mugenda (2003) as a technique for making inferences by systematically and objectively identifying specific characteristics of messages and using the same approach to relate trends. The analysis was done by comparing collected data with the theoretical approaches and documentations cited in the literature review. The data obtained from the management was compared against each other in order to get more revelations on the issues under study. Subjecting the collected data to content analysis allowed the researcher to learn about underlying attitudes, biases, or repeating themes. This technique has been used by researchers in similar studies in the past including Jeptoo (2012), Mbaabu (2012), and Tai (2007) among others.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter covers data analysis, research findings, and discussions of the study findings. Data analysis is the categorizing, ordering, manipulating and summarizing data to obtain answers to research questions. The whole process commences immediately after data collection and ends at interpretation and processing of the data (Cooper & Schindler, 2008). Qualitative data analysis technique was used to analyze the data which involved making inferences by systematically and objectively identifying and specifying characteristics of message and relating this to study themes.

This section describes how KRB conducts and handles strategy implementation process, discusses the findings and challenges faced during strategy implementation and measures taken by KRB to cope with these challenges as and when they arise. Apart from summarizing the data, this section aims at answering the critical research questions. What is the nature of strategy implementation at KRB?and what measures has KRB taken to deal with challenges of strategy implementation?

4.2 Demographic Information of the informants

On demographic information of the interviewees, the researcher sought to establish the managerial level of the respondents, years of service with the organization, and years in the current position. The respondents interviewed were drawn from each of the four topmost levels of management in the organisation namely; Board member, Executive Director, General Manager and Manager. All respondents had a long

working experience in the organization each having served over ten years. This meant that the respondents were knowledgeable and the information collected from them was reliable. It can also be said that the respondents interviewed were qualified for the positions which they held since all had less than five years in their posts having risen from lower posts. This also indicated that KRB had an active staff promotion program in place.

4.3 Strategy Implementation at Kenya Roads Board

The respondents indicated that KRB has a strategy that is implemented in five year plan periods. The organization has institutionalized the strategy implementation process and is currently implementing its third strategic plan for the period 2013 to 2017. The strategic plan has clearly stated vision, mission and objectives and the implementation of objectives, strategies and activities are guided by the Vision and Mission. The organization derives its organizational objectives from the Board's mandates which are outlined in the KRB act of 1999. The objectives are directly linked to KRB's mandate.

The strategy implementation process is well structured and is done through the use of annual action plans derived from the five year corporate strategic plan. These annual action plans outline the objectives and goals to be achieved in a particular year which are then cascaded down to departments, managers and all professional staff. Implementation of the objectives is shared between the departments and therefore joint effort and team work is required to achieve a particular objective.

The annual action plan has various components in it namely the strategy being implemented which must be clearly stated, the activities that are related to the strategy are listed in the order in which they are to be carried out, the inputs for the various

activities are listed, together with the expected output. The action plan also has a column that indicates the person responsible for each and every activity, the time frame for implementation, the expected output indicators, and the budgetary requirements. The Board also signs a performance contract with the Ministry of Transport and Infrastructure annually which is used as a basis for development of the annual action plan. As part of ensuring compliance with strategy implementation, the key performance indicators of the annual action plan form part of the performance contract.

The allocation of resources such as human resource, budgets, capital and technological resources for implementation of strategy are determined by the activities identified to be undertaken under each objective. In allocating these resources, first priority is given to the key organizational objectives which fall under the core mandate of the organization. The organization has 3 departments and 4 sections for the implementation of strategy. These are Planning department, Finance department, and Technical compliance department while the sections are Legal and corporate, Human resource, ICT and Procurement.

The interviewees identified three factors that they considered as being influential in the implementation of strategy in KRB which they outlined as budgets, human resource, and leadership. These were considered most critical since without funding the target activities cannot be undertaken, human resource is important due to the perception that shortage of personnel meant that other staff would be overburdened with work and at times some works would not be implemented especially in specialized professions. Shortage of staff has led to outsourcing of some activities in KRB such as internal audit. Leadership was identified as being important since the

Executive Director (ED) is the main person in charge of driving the organization in the direction that the Board identifies. The ED is the link between the Board of Directors and the secretariat which is KRB staff. Leadership of the Executive Director plays a pivotal role in ensuring staff meet the objectives of the Board.

The study established that the key people in developing action plans are the heads of departments who play an important role in strategy implementation together with the heads of sections. Top management of the organization which consist of Board of Directors, Executive Director, General Managers, and Managers were described as being fully committed to the strategy implementation process. Line managers were identified as playing a pivotal role in implementation of strategy due to their ability to mobilize staff working under them to implement the strategies.

4.4 Measures taken by KRB to deal with challenges of strategy implementation

To establish whether there were challenges at KRB, the respondents were asked to mention if they encounter any challenges during strategy implementation at the organization. The study found that all the respondents interviewed mentioned that there were challenges facing strategy implementation at the KRB. The interviewees were further asked to mention some of the challenges facing strategy implementation at the Board which were identified as external operating environment, insufficient budgetary allocation, poor communication, inadequate staff and high staff turnover, as the main challenges.

The study findings showed that external operating environment (political, economic, social, legal, ecological and technological) had the greatest challenge to strategy implementation. KRB being a state corporation operating under the Ministry of

Transport and Infrastructure is influenced by Ministerial policies and directives, inclusive of Government circulars which directly or indirectly affect strategy implementation process of the organization. Institutional operating environment was of least influence to strategy implementation. The level of harmonization of; strategy, staff, style, skills, shared values, structures and systems (internal environment) in the organization was high but its influence to implementation of strategy was medium.

It was indicated that some strategies were not implemented on time mainly due to exogenous factors which had to do with Government/Ministerial regulation and policies. During elections, each ruling party that comes into power has a manifesto which defines the development plans it intends to implement during its tenure. These manifestos are adopted by the government of the day to become government policy after which circulars are issued giving guidelines on the general direction of the Ministerial policy to be implemented. At the moment the implementation of the Constitution of Kenya 2010 created county governments which required that some of the National government functions be transferred to the devolved units namely the counties which has affected implementation of KRB strategy.

The other challenge identified in the implementation of strategy is insufficient resource allocation to meet the strategic plan needs. The funding to KRB is stipulated in the KRB act of 1999 where the entire 100% of the RMLF collections are shared out inclusive of the administrative budget. The RMLF collections have not been growing as projected therefore putting a constraint on the available resources mainly due to the erosive power of inflation. This has seen fewer strategic activities being funded or receiving a lower allocation each consecutive year. Therefore inadequate budgetary allocation for strategy implementation as spelt out in the KRB corporate plan exists.

This inadequacy of resources has forced some projects to roll over for a number of years causing a delay in their implementation.

Implementation of strategies requires adequate and competent staff for success to be realized, however high staff turnover was identified as a challenging phenomenon in KRB. Staff turnover and unattractiveness of some of the professional positions has posed a challenge for the organisation. KRB has lost staff to other organisations in the road sub sector due to the unattractive nature of some jobs especially for the key line professional staff of the organization which are the Engineers. This has left some posts vacant for quite some time which has meant that present staff were overburdened in terms of work load.

Management has put in place mechanisms to ensure successful strategy implementation such as monitoring and evaluation systems. In order to ensure that the action plans are on track, the organization requires that each department conducts quarterly reviews of its action plan, which is also done at the corporate level for reporting quarterly on the progress of the organizations performance contract. This is done through quarterly internal audits, half yearly external audits, and annual review and development of action plans.

Management has taken initiatives to ensure successful implementation of strategy which include bench marking through ISO standards. The organisation has been able to raise its quality procedures manuals and gone ahead to become ISO certified. KRB is ISO 9001-2008 accredited institution and therefore the internal processes of the organization are done in accordance to ISO 9001-2008 quality standard of the Kenya Bureau of Standards (KBS). The improvement of the quality procedures has ensured that all the resources required whether financial or human are well equipped with the

right competencies. The improvement of quality procedures has seen the organization review the human resource manual to address staff matters and hence this has ensured that management allocate staff work according to their competencies.

The organisation also has a rewards and control systems for all the members of staff inclusive of the Board members. This is implemented through the signing of performance contracts for all the departments, sections, Board members and individual staff members. The performance contracts are reported on quarterly against each person's targets and are subjected to quarterly internal audits to enhance compliance. Once the annual staff appraisals for the year under review are carried out, the staff are rewarded accordingly.

It was indicated that there is in place an advisory team on strategy implementation at KRB. KRB has a five member Board committee on strategy implementation. It was also noted that the heads of departments and sections at KRB act as advisory teams in strategy implementation matters. These heads of departments are guided by the performance contracts they sign every year, and also the information they gather on during the strategy implementation process to advice the organization on the best course of action that should be taken. This advisory team is fully committed to strategy implementation at KRB and according to Kubinski (2002), the most important thing when implementing a strategy is the top management's commitment to the strategic direction itself.

The internal audit team also plays a very significant advisory role during the implementation process by providing detailed reports that are critical in guiding the organization on the progress of strategy implementation as well as providing recommendations on the best way forward.

It was indicated that KRB has an annual training programme for its staff whose needs are identified through the submission of the annual staff performance appraisals. The organisation tries to ensure that all professional staff undergo training at least once in two years while for the Board of Directors it is done annually. Adequate training of both the personnel and Board members helps to improve strategy implementation at KRB.

4.6 Discussion of the results

The study wanted to establish how KRB implements its strategy. The researcher studied the nature of strategy implementation at KRB from where the findings point out that KRB implements its five year corporate strategy through the use of planning systems such as annual action plans, monitoring and control systems, and reward mechanisms among others. This is in agreement with David (1997) who stated that strategy implementation is concerned with planning how the choice of strategy can be put into effect and managing the changes required.

On strategy implementation practice at KRB, the study found that employees of the Board participate in the implementation of the organizational strategies and that management monitor and control to ensure that the formulated strategies are implemented. According to Thompson and Strickland (1999), successful strategy implementation depends on doing a good job of leading, working with and through others, allocating resources, building and strengthening competitive capabilities, installing strategy supportive policies and matching how the organization performs its core business activities to the requirements for good strategy execution.

The study established that KRB has a strategy implementation panel which comprises of all the heads of departments and sections who advice the organization on the

progress of the implementation process. These findings concur with Brown and Pope (2011) who indicated that it is important for an organization to have in place a strategy implementation advisory team. They proposed that this team should comprise of members with relevant experience on strategy implementation. The heads of departments and section at KRB have the necessary experience in strategic management.

It was confirmed that training is very important when implementing strategies. The organization trains employees on the implementation of new strategy so that they can get the necessary knowledge. Training of managers has also been supported by Alexander (1985) who indicates that many firms have a very detailed process for planning and strategy development, and upcoming managers go through various Executive training programs to learn how to master those processes.

The study established that one of the constraining factors for the implementation of strategy at KRB is insufficient resource allocation especially in terms of budgets mainly due to stagnant and at times dwindling budgetary provisions. This has led to some projects having prolonged implementation periods that cover multiple years due to this constraint. This finding is in agreement with past findings of similar research projects which showed that it's not possible to implement strategy whose needs are greater than the available resources. According to Machuki (2005) there must be enough resources to carry out each part of the strategic plan.

4.6.1 Comparison with Theory

This research indicates that among the challenges to strategy implementation, the greatest challenge that KRB is affected by is the political, economic, ecological and

legal environments that the organization operates in. All of these are external factors to the organization.

The greatest challenge is the industry within which KRB operates (ecological environment). KRB is a state parastatal established through an act of parliament operating under the Ministry of Transport and Infrastructure and therefore it is governed by the rules and regulation of the parent Ministry as well as other government regulations. As a government body incorporated with specific mandates, the strategies that the organisation formulates and implements are limited and at times forced upon by the parent Ministry. The organization therefore has to adapt to the new operating environment when dictated to by the parent Ministry. This supports the open systems theory which states that systems adapt as changes are being impacted on them.

The legal environment greatly affects the strategies and objectives that KRB implements. This is mainly to do with the fact that the organization is a government body and most legal changes affecting maintenance of roads impact on the implementation of strategy in the organization. The Constitution of Kenya 2010 requires that road functions be devolved to counties and funding for maintenance for these roads be routed to follow function. This directly impacts on strategy implementation at KRB as a result of these prevailing legal requirements. This supports the open systems theory which outlines that the organisation changes to adapt to the planning environment as changes are impacted on it.

The economic environment also affects the implementation of strategy in KRB. The rate of growth of the economy determines the collections for the road maintenance levy fund which KRB administers. The charge collected for maintenance of roads is

fixed and therefore when the economy is underperforming the fuel consumption is lower which results in lower RMLF collections against the projected/budgeted collections. This at times leads to underfunding of projects and hampers implementation of strategy at KRB. This is in line with the open systems theory.

The political environment also affects strategy implementation in KRB. Prioritization of rural road works funded by KRB is done by the Constituency Roads Committee (CRC) which is chaired by the Constituency Development Fund (CDF) members and the MP for the constituency who is a member among others. Therefore whenever Parliamentary elections are held and there happens to be a change in the membership of these committees, reprioritisation of the work programmes being implemented is done by the new members. Resubmission of the work programmes with re-prioritised roads leads to delay in the implementation of roadworks leading to delay in the implementation of KRB strategy. This supports the open systems theory since the organization has to react to political pressure from the external operating environment.

4.6.2 Comparison with other studies

The study established that successful strategy implementation requires adequate coordination and collaboration of implementation activities in departments and sections of the organisation and the key persons in implementation of this are the managers. These findings are in agreement with other findings of past researchers. According to David (1997), for successful strategy implementation there is need to mobilize employees and managers to put formulated strategies into action.

The study findings indicated that the Executive Director is pivotal in strategy implementation process since he is the link between the Board of directors and the staff of the organisation and is the one drives leadership in the organization in terms

of mobilizing staff towards a strategic direction that shall attain the organizations objectives. According to (Koske, 2003) he established in his research that organizational leadership is essential for effective strategy implementation. According to him, leadership is considered to be one of the most essential elements affecting organizational performance.

Regarding the time for the implementation of the formulated strategies, the study found that some formulated strategies were not implemented within the stipulated time. These findings are in line with those of Hrebiniak (2005) who found that successful implementation of strategy takes more time than its formulation thus posing challenge to managers in charge of the implementation by destructing their attention to execution details.

On measures taken to address strategy implementation challenges, the study found that commitment by top management in changing the staff's cultural mindset and communication of the strategy were the most preferred measures for ensuring effective strategy implementation at the KRB. Attaran (2000) found that effective strategy implementation can also be achieved through ensuring that an effective and comprehensive communication plan, with feedback loops for employees to air their concerns is in place.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the findings, the conclusion made from the study, the recommendations made by the researcher based on the findings as well as the suggestions for further research.

5.2 Summary

The study revealed that KRB has a well-developed corporate plan which provides guidelines for each department to draw action plans and management take the leading role in the strategy implementation process. The performance contract indicators for each department are tied to the departmental strategies which in the end help achieve the corporate plans. The strategic plan is cascaded down to the department and then delegated to lower level managers who in turn delegate to the individual employees at the technical and implementation level. The indicators within each department are broken down to sectional, then to units and finally to individual levels. Quarterly reports are provided to indicate the level of implementation and to allow for corrective measures

KRB has in place various strategic management practices that are applied during the strategy implementation process which include the development of an action plan, prepared for each department under the supervision of the head of department. The action plan serves as the primary point of reference when implementing a given strategy. The action plan is well detailed and it includes a clear elaboration of the strategy being implemented.

The study found that KRB employees participate in the implementation of formulated strategies. This was in conjunction with the effort of the management who did follow ups to ensure that the formulated strategies were being implemented

The findings indicated that the top management is charged with the responsibility of managing the challenges at the KRB. Measures taken to address the challenges are: commitment by top management, changing people's attitudes through training, and effective communication of the strategy to the staff especially those participating in the implementation of the organizational strategy.

The study findings indicate that strategy implementation at the KRB is planned, and is systematic in implementation, however some strategies were not implemented within the stipulated time. It was established that budgets, human resource, and communication (internal environment) were influential in determining the implementation of strategy in KRB because limited resources would affect some activities hence slowing the implementation process. Strategy implementation requires adequate and competent staff which is provided by human resource. When the strategies are not well communicated to the employees they do not buy into the strategy but instead offer resistance. Also Political, economic, ecological and legal operating environments (external operating environment) were identified as the greatest challenge to implementation of strategy in KRB. This was due to the inability of the organization to control this environment (external environment).

From the findings of the study it is clear that there is a panel that advises the organization on strategy implementation which is made up of the heads of departments and sections at KRB. These are the ones expected to guide the

organization on matters related to implementation of strategy that the organization develops.

The alignment of the staff, skills, structure, systems and values was done through trainings and the level of harmonization of these elements is high which contributes to teamwork in the implementation of strategy.

5.3 Conclusion

The study established that KRB operates departmental strategies which are aligned to the corporate strategy. The corporate strategy is aligned to the National strategy. Revision of the strategic plan is done annually and more so when the government changes its policy/strategic direction so as to align the organization with the strategies of the government of the day.

There are a number of strategy implementation practices that are common at KRB. The first is preparation of action plans by every department. The heads of departments serve as the advisory panel to the organization as far strategy implementation is concerned. The overall result shows that the practices adopted by KRB in its strategy implementation are effective and they support the implementation of the organization's business plan which propels the organization towards the attainment of its vision.

From the findings of the study, it can be concluded that there were challenges facing the implementation of strategies at KRB. The greatest challenges to strategy implementation in the organization are from the external operating environment since the organization does not have any level of control over them yet KRB is required to abide by them. The pressure exerted by the external operating environment affects the

strategy implementation process and the organization has to change its strategy midway or change some processes to align to the new strategic direction provided. The internal environment factors such as insufficient budgets, inadequate staff, high staff turnover, and also poor communication do affect strategy implementation process in KRB although at a much lower level since they can be controlled from within the organization.

5.4 Recommendations

The study recommended that the top management of the organization should be more stringent on the implementation of strategies at KRB in order to mitigate the challenges experienced in strategy implementation.

KRB should consider providing better terms for its employees to avoid incidents of high employee turnover. The Human Resource department should review the current terms of service through offering better pay packages that are competitive. The organization should also put in place better motivation mechanisms, and the reward schemes and promotions should be on merit. Programs to allow for growth opportunities within the organization should be put in place

The human resource section should put in place mechanisms to attract and retains staff in order to lower the staff turnover level. KRB should explore ways of making the working environment pleasant for the unattractive posts while offering higher rewards in order to retain staff in these posts.

The strategic plan needs to be understood by all involved in strategy implementation and therefore KRB should put up clear communication mechanisms for all involved in

strategy implementation process so that they can clearly understand and contribute to the process. Training of staff in this area is highly recommended.

5.5 Limitations of the study

This study was to evaluate the strategy implementation at KRB and the researcher only interviewed the senior management of KRB. This presented a limitation of the study as it left lower level employees and other stakeholders whose opinions could have been of help to the study. This study was also limited by time constraints. The researcher used a flexible time frame to be able to meet the respondents and obtain data for the study.

Interviewing top level Executives in the organization on strategy implementation is like asking for a self-evaluation. It also demands that the informant makes a judgment on the institution they work for. It is expected therefore that some of the responses were likely to be biased as the respondent may perceive penalties resulting from taking a particular position on an issue. This was, however, minimized by assuring the informants that the information was to be used solely for academic purposes.

The research design used was an interview which was not very easy to use. Most of the respondents had a busy time schedule and so administering interviews was not favourable for them, as they were interrupted from time to time. Some respondents indicated that they preferred closed ended questionnaires that were easy to complete due to their tight work schedules.

5.6 Suggestions for further research

The study focused only on the strategy implementation aspects of the strategic management process. The study did not focus on the formulation as well as the

control, monitoring and evaluation aspects of the strategic management process. These are important component parts of the strategic management process which should not be ignored.

Area for further research recommended are reformulation of strategies, monitoring and evaluation of strategy implementation and the evaluation of strategies. Research in these areas identified would give an in-depth holistic understanding of the strategic management process in Kenya Roads Board

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APPENDICES

APPENDIX I: 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... 16/10/2014

TO WHOM IT MAY CONCERN

The bearer of this letter ... LUINGSTONE H. HIRI


Registration No. 061/75636/2012

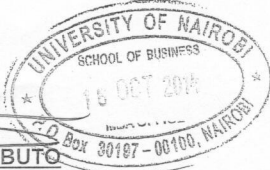
is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

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


UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
16 OCT 2014
Box 30197 - 00100, NAIROBI

APPENDIX II: REQUEST FOR INTERVIEW LETTER

LIVINGSTONE K. MBAI
P. O. BOX 51417 – 00200
NAIROBI

EXECUTIVE DIRECTOR
KENYA ROADS BOARD
P. O. BOX 73718 – 00200
NAIROBI

22nd September 2014

REQUEST FOR COLLECTION OF DATA FROM KENYA ROADS BOARD

I am a student of the University of Nairobi (UON), school of Business, pursuing a Masters in Business Administration (MBA) degree (*reference letter attached*). As part of the requirements for the award of MBA in the University, one is required to carry out a research project report on firms in Kenya.

With regard to the above, I am undertaking a research on **IMPLEMENTATION OF STRATEGY IN KENYA ROADS BOARD**. The main objectives of the study are to establish how Kenya Roads Board implements its strategy and to establish the measures taken by KRB to deal with strategy implementation challenges.

The data to be collected is from one person from each of the top most levels of management (Board of Directors, Executive Director, General Manager, and Manager) who are most conversant with implementation of strategy at KRB.

In undertaking the interviews, a research assistant will be engaged for collection of information.

The purpose of this letter is to request for permission to undertake data collection from your organization. The information collected shall be used solely for academic purposes and a copy of the finalized research project report shall be availed to Kenya Roads Board upon completion.

Your assistance is highly appreciated.

Yours Faithfully



LIVINGSTONE K. MBAI

Student Registration No: D61/75636/2012

UNIVERSITY OF NAIROBI, SCHOOL OF BUSINESS

APPENDIX III: INTERVIEW GUIDE

SECTION A: Demographic data

- i) Management level? (Board member, CEO, General Manager, Manager)
- ii) Years with KRB?
- iii) Years in current position?

SECTION B: Strategy implementation

- 1) How would you describe KRB's strategy? What is involved in it?
- 2) What are the main objectives of the Strategy? How would you describe the link between KRB's objectives and KRB mandates as an Institution? Are there objectives specific to departments or are there some which are shared?
- 3) How would you describe the strategy implementation process in KRB? Does KRB employ the use of action plans? What is included in the action plans?
- 4) Describe how resources (Human resource, budgets, capital, technological among others) are allocated to objectives? What are the key considerations in this process?
- 5) Describe how the following factors affect strategy implementation in KRB?
 - Human resource - Budgets - Organizational structure
 - Leadership - Culture - Communication
 - Rewards - Control systems - Policies

Which are the three most influential factors in order of importance?

- 6) How would you describe the commitment of top Management to strategy implementation in KRB? What level of management do you consider key to Strategy implementation? What role do you play in Strategy implementation?

- 7) Describe how great, the following influence strategy implementation in KRB; External operating environment? Internal operating environment? Institutional setup and its operating environment? Which has the greatest control to implementation of strategy in the organization?
- 8) How great is the harmonization of; strategy, staff, style, skills, shared values, structures and systems, in your organization? What are the benefits derived from this harmonisation?
- 9) Are all strategies in the strategic plan implemented within the stipulated time? And if not why?

SECTION C: Strategy challenges and measures taken

- 1) What are the three greatest challenges to strategy implementation in KRB? What do you recommend to overcome these challenges?
- 2) What is the current management setup put in place to address the challenges of strategy implementation?
- 3) What initiatives have management taken to ensure successful strategy implementation? Do you have a monitoring and control mechanism for strategy implementation?
- 4) What was the aggregate score for the previous/last strategic plan? Describe the steps undertaken by Management to implement challenges and recommendations identified in previous strategic plans? How have you contributed in this process?
- 5) How would you describe the effect of political interference in strategy implementation in your organization?