THE PERCEIVED ROLE OF STRATEGIC LEADERSHIP IN STRATEGY IMPLEMENTATION BY THE CAPITAL MARKETS AUTHORITY, KENYA

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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

NOVEMBER 2015
DECLARATION

This research project is my original work and has never been submitted for examination to any other University.

Signature…………………………….. Date……………………………

Kinyanjui Lydia Muthoni

D61/7493/2003

This project has been submitted with my authority as the university supervisor.

Signature…………………………….. Date……………………………

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ACKNOWLEDGEMENT

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DEDICATION

Had it been that God was with me and the support of my family, I would not have seen the completion of this program. Therefore I dedicate this work to God, my husband Walter Njau and children Elizabeth Wakonyo, Elena Wambui and baby Ethan Wainaina.
ABSTRACT

Leaders play a vital role in the organization in determining the strategic direction for the organization and the strategic action that is perceived to play the most important role in effective strategy implementation. This study sought to investigate the perceived roles of strategic leadership in strategy implementation by the Capital Markets Authority. To achieve the study objective, a descriptive research design was used. The research targeted all the 20 employees at Capital Markets Authority from middle level management (assistant managers) to the top management (Chief executive) since they had the responsibility for formulating and executing corporate and business unit strategies. The study collected primary data using semi-structured questionnaires and data analysis was done suing descriptive statistics and chi square. The study found the perceived drivers of strategy implementation at Capital Markets Authority included organizational structure, allocation of resources, organizational culture, resources and performance management system, strategic leadership and training and development. These drivers of strategy implementation were implemented to a large extent. The most popular roles of strategic leadership actions in strategy implementation by Capital Markets Authority were aligning organizational structure to facilitate effective strategy implementation, communicating strategy to ensure employees understood the strategy being pursued and what they needed to do to contribute to the overall delivery, determining a strategic direction and developing human capital. Further, the main challenges facing strategic leaders during strategy implementation at Capital Markets Authority are; resistance to change, cultural hindrance towards strategy implementation, bureaucracy in decision making processes and procedures, lack of effective communication between the top management and the lower level management and lack of autonomy at CMA whereby the parent ministry has to approve most of its budget. Chi-square results concluded that the respondents did not perceive the roles of strategic leadership as most appropriate for influencing strategy implementation at Capital Markets Authority. The study recommends that the top management should involve all its employees in key decisions for example implementation of change. The management should give equal opportunities to all its employees to give their opinions in order for them to feel as part of the process. This will increase their confidence and a sense of belonging since their needs will be addressed. The findings revealed that CMA has a bureaucratic structure of the organization. The study recommends that CMA should consider adapting a flexible organizational structure that is more decentralized to allow for increased flexibility in decision making and processes. This will enhance efficiency and effectiveness on the implementation of strategic leadership roles to enhance the realization of strategic goals and objectives at CMA. The limitation of this study is that the managers were too busy and therefore asked their assistants to fill the questionnaires on their behalf. These assistant managers may not be experienced about the roles of strategic leadership in strategy implementation as compared to their seniors. This might have affected the findings and conclusions drawn in this study.
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CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

In the world today, the most important thing for any organization is the achievement of goals and objectives and how the top management makes key considerations to achieve the desired goals is critical to successful strategy implementation. Strategic management is viewed as the set of decisions and actions that result in the formulation, implementation and control of plans designed to achieve an organization’s vision, mission, strategy and strategic objectives within the business environment in which it operates (Pearce and Robinson 2007). Strategy implementation is an integral component of the strategic management process and is viewed as the process that turns the formulated strategy into a series of actions and then results to ensure that the vision, mission, strategy and strategic objectives of the organization are successfully achieved as planned (Thompson & Strickland, 2003).

Hersey and Blanchard (1974) posit that contingency theory provides that there is no one best way of leading and that a leadership style that is effective in some situations may not be successful in others. Fiedler and Garcia (1987) note that the success of the leader is a function of various contingencies in the form of subordinate, task, and group variables. The effectiveness of a given pattern of leader behavior is contingent upon the demands imposed by the situation. Hambrick and Mason (1984) built on this idea and proposed the upper echelon theory. The central assertion of upper echelon theory is that because leaders operate at a strategic level, organizations are reflections of the cognition and values of their top managers.
In Kenya today, the public sector face a myriad of challenges in strategy implementation this creates a hindrance towards implementation of quality services to meet the needs of her citizens. The Capital Markets Authority has been no exception. During implementation of its 2013-17 Strategic Plan the Authority has been faced by various changes in its operating environment among them the Kenya government’s policy decision to consolidate the financial sector regulators; the re-introduction of the capital gains tax and enactment of the Statutory Instruments Act. All these have required very critical decisions to be made by CMA’s top leadership to continuously align the internal organization with the changes taking place in the external environment to maintain the momentum in strategy implementation. Muhoró (2011) maintains that effective implementation requires effective leadership that manages and drives the organizations towards achieving its goals and vision. This leads to superior performance and improved quality of service delivery to the customers.

1.1.1 Concept of Perception

Freeman and Burke (2003) explains that perception is the process, which attributes meaning to incoming stimuli through the human senses, therefore, it constitutes of two factors, the stimuli and the individual factors. Knowledge of the perceptual process is essential since the manner in which users of a product and service interpret the information is affected by their cognitive understanding that they have established in their minds. Too often managers misunderstand the behavior of employees because they tend to rely on their own perception of the situation and forget that employees’ perception may be different.

Perception happens in one of five ways, you see something with your eye, smell something with your nose, hear something with your ears, feel something with your
Because there is an overabundance of stimulation hitting your senses in every moment, most sensations will be filtered out. This is why only a fraction of our surrounding environment will ever reach your conscious awareness. What is filtered in versus filtered out depends on where you put your attention. Whatever stimulus you focus on becomes the attended stimuli. At this stage you become consciously aware of the environmental stimuli and you begin to analyze and interpret the perceived object in order to give them meaning and context (Freeman et al., 2003).

1.1.2 The Concept of Strategic Leadership

Strategic leadership is defined as ‘the leader’s ability to anticipate, envision, and maintain flexibility and to empower others to create strategic change as necessary” (Hitt, Ireland and Hoskisson, 2007). Strategic leadership is multifunctional, involves managing through others, and helps organizations cope with change that seems to be increasing exponentially in today’s globalized business environment. Strategic leadership requires the ability to accommodate and integrate both the internal and external business environment of the organization, and to manage and engage in complex information processing (Huey, 1994).

Strategic leadership occurs in three key places within an organization; at the top, where strategy for a number of business units is formulated over a given time period; in the middle, where top down strategy is translated into a business unit or regional strategy and goals are created; and at a department level, where the business unit strategy goals are translated into a number of individual objectives which are executed. Several identifiable actions characterize strategic leadership that positively contributes to effective strategy implementation namely; determining strategic direction, establishing balanced organizational controls, effective managing the
organization’s resource portfolio and sustaining an effective organizational culture. Strategic leadership provides the scope and direction to help drive success for the organization (Freedman and Tregoe, 2003).

A major part of this success is derived from effectively managing continuous change through improvements to both people and processes. For that reason, all executives and managers must have the tools necessary for strategy formulation and implementation, and they must be ready to use those tools at a moment’s notice. Managing in an environment of change and uncertainty requires strategic leaders to consistently maintain a sense of direction, while simultaneously building ownership of goals and objectives for action within the teams they are responsible for leading (Hrebiniak, 2005).

1.1.3 The Perceived Role of Strategic Leadership in Strategy Implementation

Strategic leaders have an important role to play to facilitate and lead the organization towards successful strategy implementation. Strategic leadership actions positively contribute to effective strategy implementation (Hitt et al., 2007). Strategic leadership plays a critical role in effective strategy implementation; strategic leaders are responsible for effective strategy implementation; and strategic leadership can be the basis for creating a sustainable competitive advantage (Holman, 2005).

Leaders play a vital role in the organization in determining the strategic direction for the organization and the strategic action that is perceived to play the most important role in effective strategy implementation. Leaders develop human capital and the exploitation and maintenance of core competencies also play an important role in strategy implementation. In turn, the development of social capital is the strategic
leadership action that is perceived to play the least important role in effective strategy implementation (Kaplan and Norton, 2000).

Implementing corporate strategy requires a team effort headed by your organization's leadership team. Each person involved in change management has their responsibilities, and it is important for the entire organization to understand the role of leadership in strategic implementation to make delegating responsibility more effective. Strategic implementation of any kind of new company policy or program requires participation from all of the departments that will be affected. Company leadership needs to identify what those departments are and create an implementation team that consists of representatives from each affected group. Management needs to create a structure that identifies various group leaders, the responsibilities of those group leaders and an accountability system that insures that the implementation team meets its timetable for getting the new program or policy in place (Porter, 2008).

Implementing change or any new strategy within a company requires a feeling of urgency on the part of the entire company. It is the job of management to create that urgency by explaining to the staff why the implementation is necessary. Leadership needs to help the employees understand how the company benefits from the new implementation, but it also needs to get the organization to see the setbacks of not making a change. Strategic implementation within a company is not an exact process. It is a dynamic procedure that needs to be monitored by management and altered to meet implementation goals. It is the responsibility of leadership to put a monitoring system in place, analyze the data that is being generated during the implementation and make any necessary changes to make the implementation more efficient (Prehalad and Gary, 2002).
1.1.4 The Capital Markets Industry

The capital market is part of the larger financial service system that facilitates the raising of long term funds for development. It brings together lenders (investors) of capital and borrowers (companies that sell securities to the public) of capital. Access to the capital markets is provided by institutions that are licensed and authorized by the Capital Market Authority (CMA) to operate in the capital markets (CMA, 2014).

The capital market institutions in Kenya include: the securities exchanges, central securities depositories, credit rating agencies, investment banks, stockbrokers, investment advisers, fund managers, authorized depositories, collective investment schemes and registered venture capital companies. The industry associations are the Kenya Association of Stock Brokers and Investment Banks (KASIB), Fund Managers Association and Association of Collective Investment Schemes and emerging sector specific associations such as the Bond Market Association.

1.1.5 The Capital Markets Authority

The Capital Markets Authority (CMA) is a statutory institution under the National Treasury. It was established in 1989 via an Act of Parliament CAP 485A, it is mandated to regulate and facilitate the development of orderly, fair and efficient capital markets in Kenya (CMA, 2014).

Capital Markets Authority was established back in 1980s by the Kenya government. The institution was intended to design and implement policy reforms to foster sustainable economic development for an efficient and stable financial system. A joint study by the Central Bank of Kenya (CBK) and the International Finance Corporation (IFC) on the Development of Money and Capital Markets in Kenya” in 1984 provided the foundation for reforms in the financial markets including the creation of a
regulatory body for the capital markets (CMA, 2014).

In 1988, the Kenya Government set-up Capital Markets Development Advisory Council (CMDAC); to work-out modalities to establish an authority for the capital markets. In 1989 the Capital Markets Act came into force, thereby establishing the Capital Markets Authority with the twin mandate of regulation and facilitating the development of the capital markets in Kenya. The prime responsibility of the Authority is thus to regulate and facilitate the development of orderly, fair and efficient capital markets in Kenya.

As the regulatory and supervisory authority for the securities markets and institutions in Kenya, CMA determines the operational principles of the capital markets and is responsible for the protection of the rights and interests of investors. The Authority is empowered by the Capital Markets Act to license, supervise and monitor the activities of market intermediaries, including the securities exchange, the central securities depository system and all other persons licensed, approved or regulated under the Act.

1.2 Research Problem

Leadership, and specifically strategic leadership, is widely described as one of the key drivers of effective strategy implementation (Pearce & Robinson 2007; Hrebiniak 2005). However, a lack of leadership, and specifically strategic leadership by the top management of the organization, has been identified as one of the major barriers to effective strategy implementation. Strategic leadership is multifunctional, involves managing through others, and assists in the processes required to ensure that organizations cope with change that seems to be increasing exponentially in the current globalized business environment (Kaplan & Norton 2004). According to Hitt et al (2007) several identifiable actions characterize strategic leadership that positively
contributes to effective strategy implementation: determining strategic direction; establishing organizational controls; effectively managing the organization’s resource portfolio; sustaining an effective organizational culture and emphasizing ethical practices.

In an attempt to provide more competitive quality services and restoring public confidence on the people’s perceptions about the government and the quality of services it offers, most parastatals chiefs in Kenya have implemented strategies. However; due to leadership problems some organizations have failed while others have succeeded. To effectively cope with the external environment the top management at Capital Markets Authority has a big role to play in strategy implementation.

Studies have been done on strategic leadership in the public sector, telecommunications industry and in the beverage industry. Examples include; Lekasi (2014) investigated the challenges of strategic leadership in strategy implementation by the Independent Electoral and Boundaries Commission of Kenya (IEBC). The findings revealed that IEBC strategic leadership influenced strategic performance of the IEBC. Ndunge (2014) did a study on the strategic leadership and change management practices at the Kenya wildlife service. The findings depicted that leadership influenced implementation of change management practices. It was perceived as a symbol for uniting employees towards change management. Ndungu (2013) examined the role of leadership in management of strategic change at Nairobi Bottlers Limited, Kenya. The results revealed that the top management played an instrumental role in creating a conducive environment for participation and involvement of employees. This assisted the firm in implementing change. Muhoro (2011) determined the effect of leadership in strategic change implementation in
Telkom Kenya. The results showed that leadership was an essential tool in effective change management. Leadership provided direction, support, communication which enhanced implementation of change.

None of the studies known to the researcher have investigated the perceived role of strategic leadership in strategy implementation by Capital Markets Authority. This study therefore sought to address the following research question: what is the perceived role of strategic leadership in strategy implementation by the Capital Markets Authority?

1.3 Research Objectives

i. To investigate the perceived roles of strategic leadership in strategy implementation by the Capital Markets Authority.

1.4 Value of the Study

The findings of this study will be gainful to Capital Markets Authority (CMA) and the top management executives of CMA since it will add more knowledge on the roles of strategic leaders. This will assist the top executives in broadening their minds on their leadership roles to either improve or adopt strategic leadership roles that will lead CMA to successful strategy implementation.

The empirical findings of the study will be useful to policy makers and the government in setting policies that ensure that both the private and the public sectors hire professional executives that are flexible and dynamic to effectively implement strategies that lead to improved quality of services delivery.

The study will contribute to literature. The readers will increase knowledge on the different roles of strategic leadership that are effective for successful strategy
implementation. Researchers that are interested in this field of study might use the findings of this study as a point of reference for further research then findings can be compared based on facts and logical conclusion.
CHAPTER TWO  
LITERATURE REVIEW

2.1 Introduction

This chapter covers the theoretical foundation, the role of strategic leaders, the challenges of strategy implementation, ways of resolving these challenges and the summary of the literature review.

2.2 Theoretical Foundation

This section provides a discussion of the theories that supports the study. These theories are Contingency Theory and Upper Echelons Theory.

2.2.1 Contingency Theory

Contingency theory is an approach to the study of organizational behavior in which explanations are given as to how contingent factors such as technology, culture and the external environment influence the design and function of organizations. Organizational effectiveness is therefore not necessarily dependent on a fit or match between the type of technology, environmental volatility, the size of the organization, the features of the structure and its information system (Vroom and Jago, 1988).

Hersey and Blanchard (1974) posit that contingency theory provides that there is no one best way of leading and that a leadership style that is effective in some situations may not be successful in others. Fiedler and Garcia (1987) note that the success of the leader is a function of various contingencies in the form of subordinate, task, and group variables. The effectiveness of a given pattern of leader behavior is contingent upon the demands imposed by the situation.

Fiedler and Garcia (1987) argue that if the leader doesn’t adapt or change his style, he might never be productive at the higher levels of the organization. This is one of the
most common problems in large organizations; where promotion of managers on the basis of current achievements without considering their capabilities for future achievements often lead to overall ineffectiveness of the organization.

The capital market industry is a very dynamic environment and hence, the leadership ability to provide a vision and road map that allows an organization to evolve and innovate is crucial in encouraging a motivated response to new situations and challenges.

2.2.2 Upper Echelon Theory

According to Hambrick and Mason (1984) the central assertion of upper echelon theory is that because leaders operate at a strategic level, organizations are reflections of the cognition and values of their top managers. The specific knowledge, experience, values, and preferences of top managers will influence their assessment of the external environment, and ultimately the choices they make about organizational strategy. Therefore, over time, the organization comes to reflect the top leader.

Robbin and Pearce (2007) posit that the underlying premise behind Echelons theory is that as top executives view their situations; communication is an important tool in any project. The mode of communication should represent the views of everyone in the organization. To succeed in strategy implementation, the organization and the employees must work together as a team towards achieving similar goals. Participation is a form of communication. Firms use participative decision making by engaging stakeholders in decision making processes. This makes them feel as part of the organization since their needs are represented.

Aosa (2008) argues that communication should be open and flexible; the top management should be open-minded and accommodative to the lower level
employees. This brings about harmony and improved motivation between the implementers and the employees. This brings about successful strategy implementation. Effective communication reduces operational and supervision costs since employees are aware of what is expected of them. This makes them more efficient and focused in their work, this improves coordination and of activities and functions of the project leading to successful strategy implementation.

Communication serves as a key ingredient towards achieving successful implementation of strategy. The top management should not be self-driven to impose their interest during strategy implementation. They should serve the purpose of all the stakeholders who benefit from the project. This achieved by applying good corporate governance practices that open up communication channels for improved decision making based on mutual agreements (Burnes, 2007). A study done by the Hay Group, a global management consultancy, shows that there are three critical areas of effective communication by leadership that are key to winning organizational trust and confidence (Lamb, 2009): employees are made to understand the overall business strategy of the company, and how they can help in achieving the business objectives. The communication process is further enhanced as it helps in sharing information with employees. In the view of this theory, resources are a source of power for organizations. An organization’s power over another organization is equal to the second organization’s dependence on the first’s resources.

2.3 The Perceived Role of Strategic Leadership in Strategy Implementation

Strategic leaders should always strive to be the designer of the perfect strategy by interpreting the market and its needs, placing it in line with the strengths, core purpose and competence of the organization and its workforce. No strategy is complete unless
it is executed and this implementation should be closely matched to or exceeds the strategy plan (Hair, Anderson and Tatham, 2008).

According to Hrebiniak (2005) the constructed perfect strategy should be owned by all pertinent people up, sideways and down the organization. Therefore, good strategic leaders collaborate in the construction of the strategy with all vital stakeholders and members of their teams. While the strategy is being constructed, owned and executed, leaders should ensure that all grow knowledge and skills in strategic thinking. This evolution towards a strategically consciously competent membership group will enable the organization to become more proactive and faster to act as change in the market, customers and competitors continuously occur (Hussey, 2008).

Hsieh and Yik (2005) indicate that the most important element is to continue to provide strong direction in line with overall strategies and core purposes of the organization. A strong vision should be maintained, as well as specific success measures. This means that at times leadership must be seen to lead from the front, setting examples, being the first to try out a new initiative. But equally, the leader must learn to lead from the middle or the rear and when new initiatives, processes or solutions are suggested by others, be the first to give praise and reward. What the leader should avoid is to personally supply the only right one answer.

Good strategic leaders should see themselves as becoming coaches and mentors. The job becomes one of interpreting the organization’s strategy and purpose, so that when strategy is proposed they can explain why it may not work, or that the process proposed is better than the one that is currently in place. It is important to ensure all are engaged and own the strategy that is continuously evolving and know the part they have to play in developing success through execution.
The most important thing for the strategic leader is to ensure that their team members are comfortable and that they are fully competent to do the strategic task in hand. They should be consistently updated with the latest data, process knowledge and skills to be able to develop continuously changing strategy. It is also imperative that the leader enable understanding among teams about how each individual part of the strategy is fitting in with the whole. A financial person should understand the marketing plan. An operations manager should know all elements of the customer strategy (Hitt, Ireland and Hoskisson, 2007).

A strategic leader must bring everyone on board with aimed at generating a sense of comfort and acceptance among team members, resulting in a sense of ownership across the organization. People in all teams work much more efficiently when they know where they are going, how they are going to get there, what they have to do to be successful for themselves, their team and organization and what it means to them and to the whole organization once the success is achieved (Holman, 2005).

Taylor (2007) agrees that some strategy implementation problems arise when the structures, culture and rewards of an organization communicate a different message to what is in the strategic plan. Rewards could be utilized to reinforce and institutionalize the right behavior required for strategy implementation. The strategic reward plan of the organization should be made known to all the employees. Being an effective communicator therefore appears to be a critical leadership role with respect to strategizing.

The resources needed must be created, identified and distributed in line with the strategies formulated. An organization’s resource strength is of the utmost importance as resources are the most logical and crucial building blocks for strategy, while their
weaknesses may represent vulnerabilities that need corrections (Thompson & Strickland, 2003). Annual objectives serve as guidelines for direction and action, and channel efforts and resources. In allocating resources such as budget and people, leadership needs to know how it can support the strategy to ensure vision realization.

Hrebiniak (2005) puts forth that strategic leadership role concerns assigning responsibility and accountability. Assigning accountability is key to the success of any business venture. People who are empowered and feel accountable are able to implement the strategies developed by top leadership better than those who are not. Establishing accountability by, for example, setting goals and linking them to incentives or rewards could be introduced to inspire the right behavior. Everyone in an organization would like to know what he or she is accountable for with respect to strategy formulation, implementation and evaluation.

Successful organizations require leaders that will initiate and champion the strategy formulation process. The process of strategy formulation involves creating a shared vision, clarifying the organizational mission, setting strategic objectives and selecting strategies. The process also requires leadership to distinguish the strengths, weaknesses, opportunities, and threats of the organization as they relate to individuals, processes, and stakeholders (Noble, 2000).

During strategy implementation leadership needs to ensure goal congruency amongst individuals, processes and organizational goals. This process of ensuring congruency involves linking organizational goals with team and individual goals and performance; communicating the set goals to gain employees commitment; and ensuring the attainment of individual, team and organizational goals. This process of goal attainment involves motivating and coaching teams and employees on how to set
performance goals. The process also involves eliminating barriers towards goal attainment (Thompson and Strickland, 2003)

2.4 Challenges Facing Strategic Leaders during Strategy Implementation

A poor understanding of the strategy by the workforce and ineffective communication of the strategy to the workforce are the most important barriers to effective strategy implementation. Strategic leadership is not perceived to be a major barrier to effective strategy implementation (Pearce and Robinson, 2007).

Leaders face challenges in a bid to effectively implement strategies in an organization. One of the challenges that they face is delegation of activities and failure to do follow ups on the actions and the progress of those people to whom they delegate. This in turn makes employees reluctant about the process of strategy implementation since they lack motivation encouragement and proper guidance to effectively implement strategies. This might negatively impact on the strategy implementation process and eventually become unsuccessful (Pearce and Robinson, 2007).

According to Neuman (2001) the other challenge is; lack of resources, facilities and equipment to implement strategies. Leaders fail to provide the required resources and facilities to the employees to assist them to efficiently and effectively work towards implementation of strategy. It is worth noting that an organization that seeks to succeed in strategy implementation should reward and remunerate its employees accordingly to motivate them towards successful strategy implementation. The leaders should ensure that the facilities and the resources match the needs of the employees and the vision and mission of the organization.
The leaders should support the employees in strategy implementation by demonstrating commitment and focus towards ensuring a successful strategy implementation. The leader should guide, support and advise the employees on the implementation process. Noble (2000) emphasizes that the leader should encourage the employees to work towards a successful strategy implementation process by effectively communicating to them on the significance of the strategy implementation and the likely benefits that will be achieved once the process is successful.

The leader should act a role model and a key pillar of strategy implementation to set a good example to his subjects. This encourages the employees to work harder and ensure that the process is a success. Strickland and Gamble (2007) points out that leaders should set good examples that can be emulated by their subjects in a manner that the employees appreciate the process of strategy implementation since they have a direction and understand the importance of strategy implementation to them and the entire organization.

With reference to Business Day (2005) the other challenges are lack of skills and experience to effectively implement strategies. Competent leaders are efficient and objective in their work since they are passionate about what they do. Leaders should demonstrate competence in making accurate and reliable decisions that lead the organization towards a successful strategy implementation process. They should effectively coordinate and manage people and all the activities that lead to improved chances of strategy implementation (Beer and Eisenstat, 2000). The leader should always intervene and give directions whenever there is a problem among the people, processes or activities during strategy implementation. This ensures a smooth flow of activities and functions of the organization towards successful strategy implementation.
According to Alexander (2001) lack of a strategic plan is a major barrier to strategic leaders during strategy implementation. Some firms do not have strategic plans and hence lack a functional synergy and understanding on how to go about strategy implementation. This might impact negatively on strategy implementation since strategic leaders lack a guide to effectively execute strategy. Strategic leaders should interact freely with their subjects; there should be adequate communication within the organization to ensure that everyone participates and their needs are represented in decisions making.

Advanced approaches to problems, both new and old are usually brought about by integrating a team that has adverse variety of backgrounds. In each field, a scientific perception extracts the situation of the problem and relates it in a structural way to other such problems. In Taylor (2007) it is observed that for all workers to attain the needed understanding of the company’s vision and objectives, be committed and get involved in turning the strategic plans into workable activities with effective results, a leadership that is strong and decisive is useful to move towards the course.

In Taylor (2007), objective leaders always manage major change in order to achieve the most in terms of improvement in organizational activities. Such leaders use an open management style to communicate with members internally and externally, with the objective of building new cultures in which employees can be part of. Thompson and Strickland (2007) attest to this ideology and observe that good leadership undertakes specific plans in fostering and nourishing and supporting those who are willing to try new ideas, services, products and product applications in order to maintain organizations in innovative and responsive positions.
Awino (2007) did a study on the effect of specific variables on performance, for effective implementation of strategy management to be implemented; it takes a good leadership to drive it. Awino argues that, for any strategy to be a successful course, the corporate office headed by the CEO must show commitment as well as the members with a view of the organization and that of the environment. Therefore, the leadership i.e. the CEO and his management are tasked with shaping and have the responsibility of reaching the strategic ambition of their organization. Time must be taken by the management to understand the implications of changes within the place of business and the organization’s environment and followed by creating an agenda for the successful implementation of the strategic plan that suits the new situation (Armstrong, 2009).

The involvement of the top management is not just in strategic planning stage but also in the actual process of actualization of strategies and enables the team to work together towards a mutual goal as well as tapping into the entrepreneurship skills of individuals in the team. Curtin (2009) says that the strategic leadership involves communicating the value of working hard towards targets by encouraging employees to perform better and by widening individual contributions.

Lufthans (2012) also views that it is important for leaders in organizations to provide resources, share the vision, showing commitment, and involve employees in the implementation of strategy while welcoming other ideas. If values are shared and internalized by the leader and employees, the bond between the two becomes strengthened leading to a healthy communication and therefore enable transfer of knowledge. This leads to successful strategy implementation in the organization.
Aosa (2008) notes that participation in the implementation of strategic plans varies from organization to organization with some showing high participation while others exhibit low participation as dictated upon by the kind of leadership exhibited by the top management. In a study by Mulube (2009) most organizations in Kenya place emphasis on need for leadership to maximize participation and involvement of members and empowerment in decision making. Thus effective strategic plan implementation, with the aim of realizing better organizational performance requires embracing elements that entice leadership into motivating employees.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
The chapter provides an outline of the research methodology that was used in this study. It consists of the research design, study population, sampling, data collection and data analysis.

3.2 Research Design
The study used a cross-sectional research design. Kothari (2004) explains that a cross-sectional research design is a type of research design which explains the measures taken at a point in time instead of over a period. The advantage of this method is that it gathers immediate results. Immediate results are useful because they are easier to carry out in practice. They are also cheaper because researchers only have to be in the area once, and can organize the study more easily than if they are to return, perhaps years later.

3.3 Study Population
According to Kothari (2010), a population refers to an entire group of individuals, events or objects having a common observable characteristic. The research targeted all the 20 employees at Capital Markets Authority from middle level management (assistant managers) to the top management (Chief executive) since they have the responsibility for formulating and executing corporate and business –unit strategies.

3.4 Sampling Design
Hitt etal (2007), states that the responsibility for effective strategic leadership rests at the top of the organisation including board members, the top management team and divisional managers.
In this study judgemental sampling was used, the researcher regarded all the middle to top level managers at CMA as strategic leaders since they have the responsibility of formulating and implementing the organisation’s strategy within their respective business units.

3.5 Data Collection

Primary data was collected by use of a semi-structured self-administered questionnaire. The questionnaire was in the form of a five-point Likert scale ranging from no extent to very large extent. The questionnaire had three sections: Section A sought data on the profile of the respondents; Section B sought answers to the question on the role of strategic leadership in strategy implementation by the Capital Markets Authority while section C focused on challenges faced by strategic leaders in strategy implementation. The questionnaires were administered by drop and pick later method at an agreed time with the researcher.

3.6 Data Analysis

The data collected was sorted, cleaned and coded before analysis. Data analysis was done using descriptive statistics; mean and standard deviation. Analyzed data was presented in tables and charts. Chi-square was used to establish the relationship between the perceived role of strategic leadership and strategy implementation. Chi-square was used to measure how expectations compare to the results.
4.1 Introduction
This chapter consists of data analysis and findings as per the objective of this study which was to determine the perceived roles of strategic leadership in strategy implementation by the Capital Markets Authority.

4.2 Response Rate
Out of the 20 questionnaires that were distributed to the respondents 15 questionnaires were successfully filled and returned to the researcher. This represents a response rate of 75% which was considered sufficient for making generalization. These findings are also supported by Muhoro (2011) who concluded that 75% response rate was sufficient for making generalization of the whole population. Three of the respondents cited busy schedules as the reason for not finding time to fill and complete the questionnaires while the other two were out of the country on official duties.

4.3 General Information
To achieve the objective of this study, the researcher evaluated the general information about the respondents to find out if they were qualified and experienced about the perceived roles of strategic leadership in strategy implementation in Capital Markets Authority.

4.3.1 Age of the Respondents
The respondents were asked to indicate their age to find out whether the age of the respondents had any relationship with their responses on the perceived roles of
strategic leadership in strategy implementation in Capital Markets Authority. The results of the findings are presented in Table 4.1

**Table 4.1 Age of the Respondents**

<table>
<thead>
<tr>
<th>Age Brackets</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 30 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-39 years</td>
<td>6</td>
<td>40</td>
</tr>
<tr>
<td>40-49 years</td>
<td>9</td>
<td>60</td>
</tr>
<tr>
<td>50 years or older</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Data, 2015

Table 4.1 shows that 60% of the respondents were aged between 40-49 years while the other 40% of the respondents were aged between 30-39 years of age. This is an indication that most of the employees were mature and in a position to give accurate and reliable information as per the objective of the study.

4.3.2 Gender of the Respondents

The study sought to determine the gender of the respondents to determine whether there was any bias in terms of the responses given with regard to the objective of this study. The results of the findings are presented in Figure 4.1

**Figure 4.1 Gender of the Respondents**

Source: Field Data, 2015
From Figure 4.1, 73% of the respondents were male while 27% of the respondents were female. This was an indication that males dominated the senior management positions in Capital Markets Authority.

### 4.3.3 Position of the Respondents

The study sought to determine the position of the respondents to determine whether they were qualified to give accurate and reliable information with regard to the perceived roles of strategic leaders in strategy implementation in Capital Markets Authority. The results of the findings are shown in Table 4.2.

**Table 4.2 Position of the Respondents**

<table>
<thead>
<tr>
<th>Position/Title</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.E.O</td>
<td>-</td>
<td>7%</td>
</tr>
<tr>
<td>Director</td>
<td>1</td>
<td>7%</td>
</tr>
<tr>
<td>Manager</td>
<td>4</td>
<td>27%</td>
</tr>
<tr>
<td>Assistant Manager</td>
<td>9</td>
<td>60%</td>
</tr>
<tr>
<td>Others (Please Specify)</td>
<td>1</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Source: Field Data, 2015*

From the findings in Table 4.2, 60% of the respondents were assistant managers, 27% of the respondents were managers while 7% of the respondents were directors and another 6% of the respondents were officers. This is an indication that most of the respondents were either managers or assistant managers who were experienced in the implementation of strategic leadership roles in CMA.

### 4.3.4 Length of Service in the Current Position

The respondents were asked to indicate their length of service in their current positions to determine whether they had accumulated relevant experience on the roles of strategic leadership in strategy implementation. The findings are indicated in Table 4.3.

---

26
Table 4.3 Length of Service in the current position

<table>
<thead>
<tr>
<th>Period</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>1</td>
<td>7%</td>
</tr>
<tr>
<td>1 to 3 years</td>
<td>6</td>
<td>40%</td>
</tr>
<tr>
<td>4 to 7 years</td>
<td>7</td>
<td>46%</td>
</tr>
<tr>
<td>8 to 10 years</td>
<td>1</td>
<td>7%</td>
</tr>
<tr>
<td>Above 10 years</td>
<td>-</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Field Data, 2015

From the findings in Table 4.3, 46% of the respondents indicated that they had served in the organization for a period between 4-7 years, 40% of the employees had served between 1-3 years. Further, the findings indicated that there was a tally of 7% for employees who had served for less than 1 year and above 10 years. This is an indication that most of the respondents have been at CMA long enough to understand their roles and responsibilities as well as the organisation’s strategy hence making their responses reliable.

4.3.5 Duration in Strategy Formulation and Implementation

The respondents were requested to comment about the duration which they were involved in strategy formulation and implementation of strategic leadership roles in capital markets authority. The results are presented in Table 4.4.

Table 4.4 Duration in Strategy Formulation and Implementation

<table>
<thead>
<tr>
<th>Period</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>1</td>
<td>7%</td>
</tr>
<tr>
<td>1 to 3 years</td>
<td>3</td>
<td>20%</td>
</tr>
<tr>
<td>4 to 7 years</td>
<td>7</td>
<td>46%</td>
</tr>
<tr>
<td>8 to 10 years</td>
<td>3</td>
<td>20%</td>
</tr>
<tr>
<td>Above 10 years</td>
<td>1</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Field Data, 2015

From Table 4.4, 46% of the respondents were involved in strategy formulation and implementation of strategic leadership roles for a period between 4-7 years. There
was a tie of 20% employees who were actively involved in strategy formulation and implementation for a period of 1-3 years and another 20% for a period of 8-10 years. There was another tie of 7% employees who were actively involved in strategy formulation and implementation for a period of less than 1 year and above ten years. It is evident that majority of the respondents had been involved in roles related to strategy formulation and implementation for at least three years, hence had relevant experience in strategy formulation and implementation by the Authority. They were therefore likely to provide accurate and reliable information about implementation of strategic leadership roles by CMA.

4.4 Perceived Roles of Strategic Leadership in Strategy Implementation by the Capital Markets Authority

The study sought to determine the roles of strategic leadership in strategy implementation. The respondents were asked to comment about their perceived drivers of strategy implementation at CMA, strategic leadership actions in strategy implementation by CMA and the challenges facing strategic leaders during strategy implementation at capital markets authority. Below are the findings.

4.4.1 Perceived Drivers of Strategy Implementation at Capital Markets Authority

The respondents were asked to indicate the perceived drivers of strategy implementation at Capital Markets Authority. Table 4.5 indicates the respondents’ responses.
From, Table 4.5, the organizational structure was found to be a key driver towards strategy implementation. Allocation of resources, organizational culture, resources and performance management system, strategic leadership and training and development were also found to be key drivers of strategy implementation at Capital Markets Authority. The mean scores are as follows: 4.0000, 4.4667, 4.0000, 4.0000, 4.6667 and 4.2667 respectively. Their standard deviations were as follows: .65465, .63994, .75593, .53452, .48795 and .70373 respectively. It is evident that the mean score for all items exceeded 3.00, an indication that the respondents were of the opinion that all the mentioned factors are important drivers of strategy implementation. However, the largest proportion were of view that strategic leadership of the organisation is the most important driver of strategy implementation (M= 4.67), hence strategic leaders are a critical organisation resource. They influence organisation’s effectiveness and performance contributing positively to implementing strategy and achieving the organisation’s goals. The Authority should therefore build the capabilities to develop leaders with appropriate competencies to effectively implement strategy.
4.4.2 Role of Strategic Leadership actions in strategy Implementation by CMA

The respondents were asked to indicate the role of strategic leadership actions in strategy implementation by Capital Markets Authority. The results are shown in Table 4.6.

Table 4.6 Role of Strategic Leadership actions in strategy Implementation by CMA

<table>
<thead>
<tr>
<th>Action</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determining a strategic direction for the organization</td>
<td>15</td>
<td>4.6000</td>
<td>.50709</td>
</tr>
<tr>
<td>Sustaining an effective organization culture</td>
<td>15</td>
<td>3.7333</td>
<td>.96115</td>
</tr>
<tr>
<td>Emphasizing ethical culture</td>
<td>15</td>
<td>3.7333</td>
<td>.79881</td>
</tr>
<tr>
<td>Developing human capital</td>
<td>15</td>
<td>4.1333</td>
<td>.63994</td>
</tr>
<tr>
<td>Communicating strategy to ensure employees understand the strategy</td>
<td>15</td>
<td>4.6667</td>
<td>.48795</td>
</tr>
<tr>
<td>Aligning organizational structure to facilitate effective strategy</td>
<td>15</td>
<td>5.0000</td>
<td>.00000</td>
</tr>
<tr>
<td>Implementation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>15</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Data, 2015

From Table 4.6, the most important strategic leadership actions in strategy Implementation by Capital Markets Authority include: Aligning organizational structure to facilitate effective strategy implementation, communicating strategy to ensure employees understand the strategy being pursued and what they need to do to contribute to overall delivery, determining a strategic direction and developing human capital. Their mean scores were as follows: 5.000, 4.6667, 4.6000 and 4.1333 respectively. Their standard deviations were as follows: .00000, .48795, .50709 and .63994 respectively. Further, it was revealed that sustaining effective organizational culture and emphasizing on ethical culture are also important strategic leadership actions in strategy implementation by Capital Markets Authority but to a moderate
extent compared to the other strategic leadership actions. Their mean scores were as
follows; 3.7333 and 3.7333 respectively. Their standard deviations were as follows:
.96115 and .79881 respectively. The respondents perceive aligning the organisation
structure to strategy implementation as the strategic leadership action that plays the
most important role in effective strategy implementation at CMA.

4.4.3 Challenges facing strategic leaders during strategy
implementation at Capital Markets Authority.
The study sought to determine the challenges facing strategic leaders during strategy
implementation at Capital Markets Authority. The results of the findings are presented
in Table 4.7.

Table 4.7 Challenges Facing Strategic Leaders during Strategy Implementation
at Capital Markets Authority

<table>
<thead>
<tr>
<th>Challenge</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate resources in strategy implementation</td>
<td>15</td>
<td>3.0000</td>
<td>1.46385</td>
</tr>
<tr>
<td>Poor coordination between the top management and the employees</td>
<td>15</td>
<td>3.6667</td>
<td>1.44749</td>
</tr>
<tr>
<td>Lack of effective communication between the top and the lower level management</td>
<td>15</td>
<td>3.9333</td>
<td>1.38701</td>
</tr>
<tr>
<td>Inadequate finances to invest in modern technologies (ICT)</td>
<td>15</td>
<td>3.2000</td>
<td>1.14642</td>
</tr>
<tr>
<td>Culture is hindrance towards strategy implementation</td>
<td>15</td>
<td>4.2000</td>
<td>.67612</td>
</tr>
<tr>
<td>Resistance to change</td>
<td>15</td>
<td>4.2000</td>
<td>.77460</td>
</tr>
<tr>
<td>Lack of a clear strategic plan</td>
<td>15</td>
<td>3.8667</td>
<td>1.55226</td>
</tr>
<tr>
<td>Bureaucracy in decision making processes and procedures</td>
<td>15</td>
<td>4.0667</td>
<td>.88372</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>15</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Data, 2015

From the results in Table 4.7, the main challenges facing strategic leaders during
strategy implementation at Capital Markets Authority are; resistance to change,
cultural hindrance towards strategy implementation, bureaucracy in decision making
processes and procedures and lack of effective communication between the top
management and the lower level management. Their mean scores are as follows: 4.2000, 4.2000, 4.0667 and 3.9333 respectively. Their standard deviation are as follows; .77460, .67612, .88372 and 1.38701 respectively. Ineffective communication leads to poor understanding of the strategy and hence a barrier to effective implementation of the strategy. This corresponds with findings from the literature.

4.5 Relationship between the Perceived Role of Strategic Leadership and Strategy Implementation

The study sought to determine to what extent the perceived role of strategic leadership influences strategy implementation. This was significant for the researcher to identify whether strategic leadership roles influences strategy implementation. The findings are presented in Table 4.8.

Table 4.8 Relationship the Relationship between the Perceived Role of Strategic Leadership and Strategy Implementation

<table>
<thead>
<tr>
<th>Role of Strategic Leadership</th>
<th>Strategy Implementation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No extent</td>
<td>Small Extent</td>
</tr>
<tr>
<td>Moderate Extent</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Large Extent</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Very Large Extent</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>2</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Field Data, 2015
From the findings in Table 4.8, the association between the variables was tested using $X^2$. The results are presented in Table 4.9.

**Table 4.9 Chi-Square Tests**

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>5.000</td>
<td>6</td>
<td>.544</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>7.007</td>
<td>6</td>
<td>.320</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>0.078</td>
<td>1</td>
<td>.780</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>15</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 12 cells (100.0%) have expected count less than 5. The minimum expected count is .40.

**Source: Field Data, 2015**

As evident in Table 4.9, the association between the perceived role of strategic leadership and strategy implementation is weak and insignificant ($X^2=5$, $p>.05$, df=6). This finding has to be interpreted in light of the difference between the perceived role of strategic leadership and strategy implementation shown in Table 4.6. It is evident that there is no difference between the overall scores of the measures of the perceived roles of strategic leadership. Thus, the respondents did not perceive the roles of strategic leadership as most appropriate for influencing strategy implementation at Capital Markets Authority.

**4.6 Chapter Summary and Discussions**

The findings revealed that the perceived drivers of strategy implementation at Capital Markets Authority included organizational structure, allocation of resources, organizational culture, resources and performance management system, strategic leadership and training and development. These drivers of strategy implementation were implemented to a large extent. The findings also revealed that the most popular roles of strategic leadership actions in strategy implementation by Capital Markets
Authority were aligning organizational structure to facilitate effective strategy implementation, communicating strategy to ensure employees understood the strategy being pursued and what they needed to do to contribute to the overall delivery, determining a strategic direction and developing human capital.

The findings further revealed that there were other challenges that faced strategic leaders during strategy implementation. These challenges included: lack of autonomy at CMA whereby the parent ministry had to approve its budgets. Leadership was limited to few employees at the top management the lower level employees were not involved in key decisions. There were uncertainties in the expected directions for example merger processes which affected the strategic focus of CMA.. Other challenges that faced the Authority from the external environment were effects of economic conditions both from local and international forces. This leads to fluctuation of fees which exposes the firm to financial constraints and consequently affects implementation of strategy. Other challenges that affected strategic leadership were policy changes which affected recruitment of key personnel. This affected implementation of strategic leadership due to lack of certain competencies. hence slowed down the process of strategy implementation and thus impacted negatively on the realization of strategic goals and objectives. The findings further revealed that there was a lot of bureaucracy and minimal decentralization of functions and activities. All authorization was executed in a central place and this impacted negatively on the efficiency of implementation of strategic leadership roles. It was also revealed that the legislative process of introducing new products and services took a long-time to be realized.
5.1 Introduction

This chapter gives the results and discussions drawn from the analysis presented in chapter four. The chapter is structured into summary of findings, conclusions, limitations, recommendations and areas for further research.

5.2 Summary of Findings

The findings observed that most of the respondents that responded were qualified and experienced about the perceived roles of strategic leadership in strategy implementation in Capital Markets Authority (CMA). Most of the employees served in senior positions with a relevant experience on strategy formulation and implementation at CMA.

The findings revealed that the perceived drivers of strategy implementation at Capital Markets Authority included organizational structure, allocation of resources, organizational culture, resources and performance management system, strategic leadership and training and development. The mean scores are as follows: 4.0000, 4.4667, 4.0000, 4.0000, 4.6667 and 4.2667 respectively. Their standard deviations were as follows: .65465, .63994,.75593,.53452,.48795 and .70373 respectively.

The most popular roles of strategic Leadership actions in strategy Implementation by Capital Markets Authority are as follows: Aligning organizational structure to facilitate effective strategy implementation, communicating strategy to ensure employees understand the strategy being pursued and what they need to do to contribute to overall delivery, determining a strategic direction and developing human
capital. Their mean scores were as follows: 5.000, 4.6667, 4.6000 and 4.1333 respectively. Their standard deviations were as follows: .00000, .48795, .50709 and .63994 respectively.

The main challenges facing strategic leaders during strategy implementation at Capital Markets Authority are: resistance to change, cultural hindrance towards strategy implementation, bureaucracy in decision making processes and procedures and lack of effective communication between the top management and the lower level management. Their mean scores are as follows: 4.2000, 4.2000, 4.0667 and 3.9333 respectively. Their standard deviation are as follows; .77460, .67612, .88372 and 1.38701 respectively.

The results found that there was no difference between the overall scores of the measures of the perceived roles of strategic leadership. Thus, the respondents did not perceive the roles of strategic leadership as most appropriate for influencing strategy implementation at Capital Markets Authority. This is because their level of significance between the association of the two variables was more than 5%, $p=.544$.

5.3 Conclusion

The findings conclude that the perceived drivers of strategy implementation at Capital Markets Authority included organizational structure, allocation of resources, organizational culture, resources and performance management system, strategic leadership and training and development. These drivers of strategy implementation were implemented to a large extent.

The study further concludes that the most popular roles of strategic leadership actions in strategy implementation by Capital Markets Authority were aligning organizational structure to facilitate effective strategy implementation, communicating strategy to
ensure employees understood the strategy being pursued and what they needed to do to contribute to the overall delivery, determining a strategic direction and developing human capital.

Finally, the study concludes that main challenges facing strategic leaders during strategy implementation at Capital Markets Authority are; resistance to change, cultural hindrance towards strategy implementation, bureaucracy in decision making processes and procedures, lack of effective communication between the top management and the lower level management and lack of autonomy at CMA whereby the parent ministry had to approve most of its plans.

The results further revealed that the employees did not perceive the roles of strategic leadership as most appropriate for influencing strategy implementation at Capital Markets Authority.

5.4 Recommendations

The study found that lower level employees were not involved in key decisions for example strategy implementation. The study recommends that the top management should involve all its employees in key decisions for example implementation of change. The management should give equal opportunities to all its employees to give their opinions in order for them to feel as part of the process. This will increase their confidence and a sense of belonging since their needs will be addressed.

The findings revealed that CMA has a bureaucratic structure of the organization. The study recommends that CMA should consider adapting a flexible organizational structure that is more decentralized to allow for increased flexibility in decision making and processes. This will enhance efficiency and effectiveness on the
implementation of strategic leadership roles to enhance the realization of strategic goals and objectives at CMA.

The study also recommends that CMA should set aside some resources and finances to take care of environmental changes for example economic conditions from both local and international forces that might expose the firms to fluctuation of fees which might negatively impact on the allocated budget and resources leading to financial constraints.

The study also recommends that the top management at CMA should establish a good relationship with their employees. Top management should encourage and motivate their subjects to work extra-harder to realize organizational goals and objectives. They should communicate to their employees in advance whenever the organization seeks to implement change by preparing them psychologically on the new change and explaining to them its importance to the organization how it might probably affect them as employees.

5.5 Limitations of the Study

It was also difficult to have participation of all senior management in the research process. Some of the respondents cited busy schedules in the work place to create more time for filling in the questionnaires and a few were out of the country on official duty. The other challenge faced by the researcher during data collection was time factor. Primary data collection consumes a lot of time. The researcher had to prepare adequately in order to handle the different demands of the processes and at the same time, manage time effectively and beat the deadline and ensure that the whole process was a success.
The other limitation faced by the researcher during data collection was that the some of the targeted respondents delegated the filling of the questionnaire for instance one was filled by an officer. These respondents may not be experienced about the roles of strategic leadership in strategy implementation as compared to their seniors. This might have affected the findings and conclusion drawn in this study.

The other limitation faced by the researcher was lack of sufficient time to do the project. The researcher had to work through the night to beat the deadline for defense. This however was not easy balancing school, family and employment. I had to go out of my way to create extra time to learn and perfect my skills on APA style of writing and looking for information from electronic journals.

5.6 Areas for Further Research

The strategic implementation within a company is not an exact process. It is a dynamic procedure that needs to be monitored by management and altered to meet implementation goals. The study therefore recommends that future researchers should investigate the effectiveness of top leadership in execution of their roles and how they cope with the various demands of the process to realize organizational goals and objectives.

A comparative study can be carried out to establish the perceived roles of strategic leadership in strategy implementation by other regulatory and governing bodies like Central Bank of Kenya. The study should focus on the benefits of strategic leadership on strategy implementation and the challenges faced by strategic leaders at CBK during strategy implementation. This will enable comparison of findings and areas of improvement can be known.
The role of strategic leadership in strategy implementation should be investigated in the East African region in one of the governing bodies in capital markets to establish some of the strategic leadership roles best practices that are competitive locally and internationally. This will enable local governing authorities like CMA to adopt some of the best practices in order to meet both local and international standards.
REFERENCES


Lufthans, G. (2012). *Transforming organizations to transform society*. In Kellog leadership studies project. Transformational leadership working papers, University of Maryland: The James McGregor Burns Academy of leadership.


Ng'ang'a, P. M. (2007). Compliance with capital markets authority corporate governance guidelines: a survey of companies listed at the Nairobi Stock Exchange, unpublished MBA Project, University of Nairobi


APPENDICES

APPENDIX I: RESEARCH QUESTIONNAIRE

Introduction
This questionnaire is designed for the sole purpose of collecting data on the roles of strategic leaders in strategy implementation by the Capital Markets Authority. The data collected will be treated with a very high degree of confidence and it is meant for academic purposes only.

Section A: Respondent’s Information
This section deals with information pertaining to yourself and the organization. Please tick as appropriate.

1. Your age category
   Below 30 years [ ]
   30-39 years [ ]
   40-49 years [ ]
   50 years or older [ ]

2. Your gender
   Male [ ]
   Female [ ]

3. Which of the following best describes your primary job title?
   Chief Executive Officer [ ]
   Director [ ]
   Manager [ ]
   Assistant Manager [ ]
   Other (please specify) [ ]

4. How long have you served in your current position?
   Less than 1 year [ ]
   1 to 3 years [ ]
   4 to 7 years [ ]
   8 to 10 years [ ]
   Above 10 years [ ]

5. Number of years involved in strategy formulation and implementation
   Less than 1 year [ ]
   1 to 3 years [ ]
   4 to 7 years [ ]
   8 to 10 years [ ]
   Above 10 years [ ]
SECTION B: PERCEIVED ROLE OF STRATEGIC LEADERSHIP IN STRATEGY IMPLEMENTATION BY THE CAPITAL MARKETS AUTHORITY

This section deals with your perceptions of the drivers of strategy implementation and the role of strategic leadership in strategy implementation by the Authority. The scale below will be applicable: 1= No extent, 2= Small extent, 3= Moderate extent, 4= Large extent, 5= Very large extent.

B1: Perceived Drivers of Strategy Implementation at CMA.

<table>
<thead>
<tr>
<th>No</th>
<th>To what extent does each of the following contribute positively to strategy implementation by the CMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The structure of the organization</td>
</tr>
<tr>
<td>2.</td>
<td>The allocation of resources in the organization</td>
</tr>
<tr>
<td>3.</td>
<td>The culture of the organization</td>
</tr>
<tr>
<td>4.</td>
<td>The performance management system of the organization</td>
</tr>
<tr>
<td>5.</td>
<td>The strategic leadership of the organization</td>
</tr>
<tr>
<td>6.</td>
<td>Training and Development in the organization</td>
</tr>
</tbody>
</table>

B2: Perceived Role of Strategic Leadership actions in strategy Implementation by CMA

<table>
<thead>
<tr>
<th>No</th>
<th>To what extent does each of the following strategic leadership actions contribute positively to strategy implementation by CMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Determining a strategic direction for the organization</td>
</tr>
<tr>
<td>2.</td>
<td>Sustaining an effective organization culture</td>
</tr>
<tr>
<td>3.</td>
<td>Emphasizing ethical culture</td>
</tr>
<tr>
<td>4.</td>
<td>Developing human capital</td>
</tr>
<tr>
<td>5.</td>
<td>Communicating strategy to ensure employees understand the strategy being pursued and what they need to do to contribute to overall delivery</td>
</tr>
<tr>
<td>6.</td>
<td>Aligning organizational structure to facilitate effective strategy implementation</td>
</tr>
</tbody>
</table>
**SECTION C: CHALLENGES FACING STRATEGIC LEADERS DURING STRATEGY IMPLEMENTATION AT CAPITAL MARKETS AUTHORITY**

Please indicate the extent to which you agree with the following statements in regard to the challenges facing strategic leaders during strategy implementation at CMA. Use the following rating: 5 = Very large extent, 4 = Large extent, 3 = Moderate extent, 2 = Small extent, 1 = No extent.

<table>
<thead>
<tr>
<th>No</th>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Inadequate resources in strategy implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Poor coordination between the top management and the employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Lack of effective communication between the top and the lower level management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Inadequate finances to invest in modern technologies (ICT)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Culture is hindrance towards strategy implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Resistance to change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Lack of a clear strategic plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Bureaucracy in decision making processes and procedures</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

What are the challenges affecting the achievement of strategic leadership? Please explain

………………………………………………………………………………………………………………………………………………

Which challenges in external environment do you encounter in the strategic leadership process of strategy implementation?

………………………………………………………………………………………………………………………………………………

Amongst the external challenges which one would you consider being the most challenging factor in strategic leadership and why?

………………………………………………………………………………………………………………………………………………

Thank you very much for taking time to complete this questionnaire and for your contribution to this study.
## APPENDIX II: Research Gaps Table

<table>
<thead>
<tr>
<th>Author</th>
<th>Topic</th>
<th>Findings</th>
<th>Research Gaps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ndunge (2014)</td>
<td>Strategic leadership and change management practices at the Kenya wildlife service.</td>
<td>The findings depicted that leadership influenced implementation of change management practices</td>
<td>The study limited itself on change management practices</td>
</tr>
<tr>
<td>Ndungu (2013)</td>
<td>The role of leadership in management of strategic change at Nairobi Bottlers Limited</td>
<td>The results revealed that the top management played an instrumental role in creating a conducive environment for participation and involvement of employees</td>
<td>The study did not address issues of strategy implementation</td>
</tr>
<tr>
<td>Muhor (2011)</td>
<td>The effect of leadership in strategic change implementation in Telkom Kenya</td>
<td>The results showed that leadership was an essential tool in effective change management. Leadership provided direction, support, communication this enhanced implementation of change.</td>
<td>The study limited itself to strategic change implementation</td>
</tr>
<tr>
<td>Curtin (2009)</td>
<td>The role of leaders in organizations</td>
<td>The findings depicted that leaders played an instrumental role in encouraging their employees to perform better</td>
<td>The study limited itself to the role of leaders in an organization</td>
</tr>
<tr>
<td>Ng'ang'a, (2007)</td>
<td>Compliance with Capital Markets Authority corporate governance guidelines: a survey of</td>
<td>There is no company that totally rejects the guidelines. The study found that there was a low level of</td>
<td>The study did not address the role of strategic leadership</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gakeri (2012)</th>
<th>Companies listed at the Nairobi Stock Exchange</th>
<th>Compliance with regard to disclosures and there is therefore need to encourage or enforce more disclosures.</th>
<th>The findings depicted that the regulatory paradigm is indissolubly government or national with nominal self-regulation. The notion of self-regulation remains an illusion. Further it was revealed that the regulator enjoys plenary legislative and supervisory powers over market intermediaries and listed companies without being subject to meaningful accountability mechanisms.</th>
<th>The study did not address the role of strategic leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kimani (2010)</td>
<td>Investor compensation funding as a determinant of investor confidence in the Capital Markets in Kenya</td>
<td>The study found out that the there is need to undertake various measures to strengthen investor confidence. These include the raising of the maximum monetary compensation limit, seeking new ways of increasing the financial capacity of the Investor Compensation Fund and to facilitate the management of the Fund by an independent</td>
<td>The study did not address the role of strategic leadership</td>
<td></td>
</tr>
<tr>
<td>Author</td>
<td>Title</td>
<td>Summary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gitonga (2014)</td>
<td>The effects of strategic change on organization performance. A case study of Capital Markets Authority, Kenya</td>
<td>The study established that Organization performance is affected by the two strategic change variables namely; technological change, structure change. The study limited itself to the effects of Strategic Change on Organization Performance hence did not address role of strategic leadership</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Board envisaged under the law.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>