CHALLENGES OF STRATEGY IMPLEMENTATION A CASE STUDY OF AGRICULTURE, FISHERIES AND FOOD AUTHORITY (AFFA)

BY

CHRISTINE MUE

SUPERVISOR: VICTOR NDAMBUKI

A RESEARCH PROPOSAL SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, UNIVERSITY OF NAIROBI
DECLARATION

This research project is my original work and has not been presented for a degree award in any other university.

Sign: _______________________________ Date: ______________________

Christine Mwikali Mue
Reg. NO: D60/P/8497/2001

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

Sign: _______________________________ Date: ______________________

Victor Ndambuki

Department of Business Administration
Faculty of Commerce
University of Nairobi
DEDICATION

I dedicate this proposal to my family. You have been my inspiration to keep working hard. Honour to God for enabling me to complete my MBA
ACKNOWLEDGEMENT

A major research project like this is never the work of anyone alone. The contributions of many different people, in their different ways, have made this possible.

First, I would like to thank God for the wisdom and perseverance that He has bestowed upon me during this research project, and indeed, throughout my life.

Second, I offer my sincerest gratitude to my supervisor; Victor Ndambuki who has supported me throughout this research project with his patience and knowledge whilst allowing me the room to work in my own way. I attribute the level of my Masters degree to his encouragement and effort and without him this project, too, would not have been completed or written. One simply could not wish for a better or friendlier supervisor.

I wish to thank the respondents who participated in this study. I cannot fail to recognize my daughter Bernice, who helped to proofread my work.

Finally, I thank my friends and colleagues for supporting me throughout my MBA studies. I can’t express my gratitude in words for my family, whose unconditional love has been my greatest strength.
# TABLE OF CONTENT

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>DECLARATION</td>
<td>ii</td>
</tr>
<tr>
<td>DEDICATION</td>
<td>iii</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENT</td>
<td>iv</td>
</tr>
<tr>
<td>LIST OF CONTENT</td>
<td>v</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>vi</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>vii</td>
</tr>
<tr>
<td>LIST OF ABBREVIATION AND ACRONYMS</td>
<td>viii</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>ix</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>xi</td>
</tr>
<tr>
<td>1.1 Background of the Study</td>
<td>1</td>
</tr>
<tr>
<td>1.1.1 Concept of Strategy</td>
<td>2</td>
</tr>
<tr>
<td>1.1.2 Strategy Implementation</td>
<td>4</td>
</tr>
<tr>
<td>1.1.3 Challenges of Strategy Implementation</td>
<td>6</td>
</tr>
<tr>
<td>1.1.4 Agriculture Fisheries and Food Authority (AFFA)</td>
<td>7</td>
</tr>
<tr>
<td>1.2 Research Problem</td>
<td>8</td>
</tr>
<tr>
<td>1.3 Objectives</td>
<td>9</td>
</tr>
<tr>
<td>1.3.1 Specific Objectives:</td>
<td>9</td>
</tr>
<tr>
<td>1.3 Value of the Study</td>
<td>10</td>
</tr>
<tr>
<td>CHAPTER TWO</td>
<td>11</td>
</tr>
<tr>
<td>LITERATURE REVIEW</td>
<td>11</td>
</tr>
<tr>
<td>2.1 Introduction</td>
<td>11</td>
</tr>
<tr>
<td>2.2 Theoretical Foundation of the study</td>
<td>11</td>
</tr>
<tr>
<td>2.2.1 Resource Based View Theory</td>
<td>11</td>
</tr>
<tr>
<td>2.2.2 Institutional Theory</td>
<td>12</td>
</tr>
<tr>
<td>2.2.3 Strategic Leadership Theory</td>
<td>13</td>
</tr>
<tr>
<td>2.3 Strategy Implementation</td>
<td>15</td>
</tr>
<tr>
<td>2.4 Challenges of Strategy Implementation</td>
<td>16</td>
</tr>
<tr>
<td>2.5 Managing Challenges of Strategy Implementation</td>
<td>19</td>
</tr>
<tr>
<td>2.6 Research Gap</td>
<td>20</td>
</tr>
<tr>
<td>CHAPTER THREE</td>
<td>21</td>
</tr>
<tr>
<td>RESEARCH METHODOLOGY</td>
<td>21</td>
</tr>
<tr>
<td>3.1 Introduction</td>
<td>21</td>
</tr>
<tr>
<td>3.2 Research Design</td>
<td>21</td>
</tr>
<tr>
<td>3.3 Study Population</td>
<td>21</td>
</tr>
</tbody>
</table>
APPENDICES

Appendix I: Interview Guide .......................................................... 40
Appendix II: Introduction Letter .................................................. 42
LIST OF FIGURES

Figure 1  Response on effects of Procedures and Policies.................................24
Figure 2  Response on resource allocation.......................................................26
Figure 3  Managerial behavior and strategy implementation............................27
Figure 4  Rewards and Incentives on strategy implementation..........................28
LIST OF TABLES

Table 1  Strata (Subgroups) for ................................................................. 21
Table 2  Response on effects of procedures and Policies ............................... 24
Table 3  Response on resource allocation...................................................... 26
Table 4  Managerial behaviour and strategy implementation.......................... 27
Table 5  Rewards and Incentives on strategy implementation.......................... 28
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFFA</td>
<td>Agriculture Fisheries and Food Authority</td>
</tr>
<tr>
<td>RBV</td>
<td>Resource Based View</td>
</tr>
</tbody>
</table>
ABSTRACT

The following research was undertaken to study the challenges to implementation of strategies at Agriculture, Fisheries and Food Authority the regulatory body with the mandate and responsibility to oversee the Regulation, Development and Promotion of scheduled crops.

The objectives of the research were to identify the challenges faced by AFFA in strategy implementation in relation to, procedures and policies adopted by the Authority, to determine whether Resource allocation affect strategy implementation, determine whether Managerial Behaviour is a determinant of effective strategy implementation and lastly examine whether Rewards and Incentives influence strategy implementation at Agriculture, Fisheries and Food Authority.

The research design was descriptive case study carried out at Agriculture, Fisheries and Food Authority headquarters, and the Directorates. Primary qualitative data was used for the study specifically by use of interview guide. This instrument was considered appropriate for this study because all the respondents were well informed top management team of AFFA. The population for the proposed study was the institutions’ Heads Directorates, Senior Managers with special reference to Manager in charge of Strategic Planning. The researcher analyzed the presence, meanings and relationships on the concept of strategy implementation which were summarized in comparison with the theories captured in the literature review. Content analysis was used for data analysis since it involved discussion.

The study revealed that Managerial Behaviour, Resource Allocation and Rewards and Incentives have a strong effect on strategy implementation unlike Institutional Policies. In general, the study has shown that Strategy implementation focuses on a wider array of factors that influence its implementation both internally and externally as well as behavioral and systematic factors. Some other internal factors include organization structure. The Authority must be willing and ready to modify its strategy in response to changing market conditions, advancing technology, the fresh needs of stakeholders, shifting consumer needs and preferences, emerging market opportunities, new ideas for improving the strategy and mounting evidence that the strategy is not working well.
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizations operate in an open environment and therefore require a strategy to deal with environmental forces. Strategic management can be defined as a continuous process aimed at keeping an organization as a whole appropriately matched to its environment (Certo and Peter, 1988). It is the process of making explicit the goals of the enterprise, the environment in which it operates, the strategies, and finally the feedback loops that tell the firm whether each of these steps has been identified correctly (Gardner and Rachli, 1986). Strategic management by itself is a process that encompasses strategic planning, implementation and evaluation. In their view, strategic management process is a way of considering, deciding, and realizing already formulated strategies. Strategy implementation, on the other hand, is concerned with both planning on how the choice of strategy can be put into effect, and managing the required changes (Wang, 2000). The environment is turbulent, constantly changing and so it makes it imperative for organizations to continuously adapt their activities in order to ensure survival. Pearce and Robinson (2004) observed that for organizations to achieve their goals and objectives, they have to constantly adjust to their environment. Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve objectives (Ramesh, 2011). The environmental conditions facing many firms have changed rapidly (Machuki and Aosa, 2011).

A strategy reflects a company’s awareness of how, where and when it should compete and for what purposes it should compete. While current public policy models have certainly started to reflect a shift away from traditional thinking about organizational design and public management, a systematic process of creating and sustaining improved performance that reflects changes in the environment is clearly absent. The guiding principles in the strategic management whether in the public or private sector are about understanding what changes are needed, how to implement and manage these changes and how to create a road map for sustaining improvements that lead to better performance. The difficulty in strategic management is the challenge of laying a foundation for success in the future while meeting today’s challenges (Worral, Collinge and Bill, 2001).
According to David (1997), successful strategy formulation does not guarantee successful strategy implementation. Strategy implementation is more difficult than strategy formulation. Strategy formulation activities enhance the firm’s ability to prevent problems; group-based strategic decisions are likely to be drawn from the best available alternatives. Involvement of employees in strategy formulation improves their understanding of productivity. 10% of formulated strategies are successfully implemented while 90% of well formulated strategies fail at implementation stage. There are some commonly used models and frameworks such as SWOT, Industry Analysis and generic strategies for researchers and practising managers in the areas of strategy analysis and formulation in strategic management. By contrast, there is no agreed-upon and dominant and framework in strategy implementation.

1.1.1 Concept of Strategy

There is no agreed definition of strategy. Strategy is the direction and scopes an organisation over the long-term which achieves advantages for the organisation through configuration of resource within a changing environment to achieving the objectives of meeting the needs of the market and to fulfil stakeholders’ expectations (Johnson and Scoles, 1999). According to (Quinn, 1980) strategy is the pattern or plan that integrates an organisation’s major goals, policies and actions sequences into a cohesive whole. Strategy is a plan, a sort of consciously intended course of action or a guideline to deal with a solution.

The concept of strategy revolves around deliberate attempts by an organisation to obtain sustainable long-term advantage in the delivery of expectations of stakeholders. Strategy is the determination of the basic long-term goals and objectives of an enterprise, the adoption of courses of action and the allocation of resources necessary for carrying out these goals (Chandler, 1962). Strategy is a company’s game plan and is key to organization’s survival or extinction. Strategy reflects a company’s awareness of how, when and where it should compete and for what purposes. It is the things that business do, the paths they follow, and the decisions they take in order to reach certain points and levels of success (Strickland and Thompson, 1996).

According to Bowman and Helfat, (2001) corporate strategy is an essential management tool that is important in determining the firm’s performance as well as achieving performance advantage through strategic initiatives. Porter (1980, 1985) argues that through the pursuit of a generic strategy a firm can achieve superior performance, which he defines as the
development of an overall cost leadership, differentiation or focus approach to industry competitor.

Porter (1996) also noted that strategy is about achieving competitive advantage through being different in delivering unique service or product. Strategic responses involve changes in a firm’s strategic behaviour to assure success in the transforming future environment. An organization’s strategic position is often influenced by the external environment, internal strategic capabilities as well as the expectations and influence of the stakeholders. Strategic choices include the underlying bases for strategy at all levels of the organization. The Strategic management is pinned to understanding which choices are likely to succeed or fail and then eventually translating strategy into action which is more concerned with issues of structuring and resourcing to enable future strategies and to effectively manage inevitable change (Johnson and Scholes, 2005).

Glueck and Jauch (2000) view strategy as a unified, comprehensive and integrated plan that relates the advantage of the firm and challenges of the environment and that is designed to ensure the basic objectives of the enterprise are achieved through proper execution by the organization. Strategy is the response of the firm to external environment. Strategies create a fit among company’s activities. The success of a strategy depends on doing many things well - not just a few- and integrating them. If there is no fit among activities, there is no distinctive strategy and little sustainability. The company’s activities include its effective interaction with the environment in that these activities are geared towards serving external environment (Porter, 2001). Strategy is a large-scale, future oriented plan for interacting with the competitive environment to achieve company objectives. It is the company’s game plan (Pearce and Robinson, 1997). While it does not detail all future development of resources, it provides the framework for managerial decisions.

Dess et al (2005), argue that this definition captures elements that go to the heart of the field of strategic management. The strategic management of an organization entails three ongoing processes: analysis, decisions, and actions. That is, strategic management is concerned with the analysis of strategic goals -vision, mission, and strategic objectives along with the analysis of the internal and external environment of the organization. Strategic management is, hence, both a skill and an art. Good strategic management requires both clear thought and sound judgment. Strategic management is the formal and structured process by which an organization establishes a position of strategic leadership. Strategy
development is a multidimensional process that must involve rational analysis and intuition, experience, and emotion. But, whether strategy formulation is formal or informal, whether strategies are deliberate or emergent, there can be little doubt as to the importance of systematic analysis as a vital input into the strategy process. Without analysis, the process of strategy formulation, particularly at the senior management level, is likely to be chaotic with no basis for comparing and evaluating alternatives. Moreover, critical decisions become susceptible to the whims and preferences of individual managers, to contemporary trends, and to wishful thinking (Hill and Jones, 2001).

Historically, numerous researchers in strategic management bestowed great significance to the strategic formulation process and considered strategy implementation as a mere by-product or invariable consequence of planning (Wind and Robertson, 1983). Fortunately, insights in this area have been made recently which temper our knowledge of developing strategy with the reality of executing that which is crafted (Olson et al., 2005). However, as strategy implementation is both a multifaceted and complex organizational process, it is only by taking a broad view that a wide span of potentially valuable insights is generated.

1.1.2 Strategy Implementation

Strategy implementation is the putting into action a formulated strategy. It involves organization of the firm's resources and motivation of the staff to achieve objectives (Ramesh, 2011). Although formulating a consistent strategy is a difficult task for any management team, making that strategy work, that is, implementing it throughout the organization is even more difficult (Hrebiniak, 2006). A myriad of factors can potentially affect the process by which strategic plans are turned into organizational action.

The task of implementing challenging strategic initiatives must be assigned to executives who have the skills and talent to handle and can be counted on to turn decisions and actions into results to meet established targets. Without a smart, capable result-oriented management team, the implementation process ends up being hampered by missed deadlines, misdirected or wasteful efforts. Building a capable organization is thus a priority in strategy execution. Strategy implementation 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. Strategy implementation may be faced by a set of challenges which may emanate from the leadership and the management, the resources, the organization structure and culture, the organization politics, the motivation of staff, the involvement and participation of staff, the
perception, inadequate planning, communication and resistance emanating from staff and other stakeholders (Okumus, 2003). In addition, lack of fit of strategy may also challenge its successful implementation (Porter, 2004, Machuki and Aosa, 2011). For an organisation to realize strategic fit, it ought to match its portfolio of resources with cumulative capabilities and blend well with the external environment to achieve corporate goals and competitive advantage. Thus, this fit is explicit during strategy implementation.

A company’s organizational structure maps out roles and responsibilities along with reporting relationships. It refers to the shape, division of labour, job duties and responsibilities, the distribution of power and decision-making procedures within the company, which influences the types of strategy used by an organization (Okumu, 2003). It is a formal framework by which jobs tasks are divided, grouped and coordinated. Organizational structure is a major priority in implementing a carefully formulated strategy. It helps people pull together in their activities that promote effective strategy implementation. The structure of an organization should be compatible either for the structure or the strategy itself (Koske, 2003). However, Mintzberg and Quinn (1991), argue that the central problem in structuring today is not the one on which most organization designers will spend their time by dividing of tasks. It is one of emphasis on how to make the whole thing work.

Alexander (1985) identifies inadequate planning and communication as two major obstacles to successful implementation of strategy. Converting strategic plans into actions and results tests a manager’s ability to direct organisational change, motivate people, build and strengthen company competence and competitive capabilities, create and nurture a strategy to meet the set performance targets. According to Thompson and Strickland (2007), strategy implementation can be considered successful if things go smoothly enough that the company meets or beats its strategic and financial performance target and shows good progress in achieving management strategic vision.

Motivating and rewarding good performance for individuals and units are key success factors in effective strategy implementation (Shirley, 1983). Organizational rewards are powerful incentives for improving employees and work group performance. It can also produce high levels of employee satisfaction. Reward systems are used to maintain desired levels of performance. To the extent that rewards are available, durable, timely, visible and performance contingent, they can reinforce and support organizational goals, work designs and employee involvement. Hence each implementation situation occurs in a different context affected by differing business practices and competitive situations, work environment and
cultures, policies, Compensation incentives and a mix of personalities. The process of strategy implementation is therefore people based and not organization based.

Strategy implementation makes companies’ plans happen hence it is crucial in every organisation’s success. It spells out who, where, when and how are executed to reach organisation’s goals and objectives. Successful implementation plan should have a visible strategic leader who communicates vision of an organisation and ignites certain employee behaviours necessary in achieving organisational goals. Strategic implementation requires a strategic road map and informs what resources are available, the desirable work environment, suitable operating structures, appropriate skills and working relationship with business partners. Strategic leader will ensure employees own the process hence all become accountable, will keep communicating direction and feedback, and guide on steps of implementation with controls of performance.

1.1.3 Challenges of Strategy Implementation

Successful strategy formulation does not guarantee successful implementation. It is always more difficult to do something that is strategy implementation than is say you are going to do it, strategy implementation (David, 1997). The major challenge of strategy implementation in an organization is the failure to translate strategic statements into activities to achieve goals and objectives while applying resources and competence (Daft, 2000).

Al-Ghamdi (1998) claims that an overwhelming majority of the literature has been on the formulation side of the strategy and only lip service has been given for implementation. The most common problem experienced in strategy implementation in most cases is lack of unity. According to Wang (2000), communication should be two way so that it can provide information to improve understanding and responsibility to motivate staff.

Al-Ghamdi (2003), identified barriers to strategy implementation which included: competing activities that destruct attention from implementing the decision; changes in responsibilities of key employees not clearly defined; key formulator of the strategic decision not playing an active role in implementation; problems requiring top management involvement not being communicated early enough; overall goals not sufficiently defined; poor monitoring; overall goals not sufficiently understood by employee; uncontrollable factors in the external environment; surfacing of major problems which had not been identified earlier; advocates
and supporters of the strategic decision leaving the organization during implantation and implementation taking more time than earlier allocated.

Pearce et. al (1998), identified barriers to strategy implementation which include; competing activities that distract attention from implementing the decision; changes in responsibilities of key employees not clearly defined; key formulators of the strategic decision not playing active role in implementation; problem requiring top management involvement not communicated early enough; key implementation task and activities not sufficiently defined; information systems used to monitor implementation are inadequate; overall goals not sufficiently understood by employees; uncontrollable factors in the external environment; surfacing of major problems leafing the organization during implementation; and implementation taking more time than originally allocated. Meldrum an Atkinson (1998) identified two problems of implementation: a flawed vision of what it seems to be in a strategic position within an organization and a myopic view of what is needed for successful management of operational tasks and projects within a strategic brief.

Okumus (2003) found out that the main barriers include lack of coordination and lack of support from other levels of management and resistance from lower levels and poor planning activities. Culture is another challenge to strategy because implementation of strategy often encounters rough going because of deep rooted cultural biases. This is because they see change as threatening and tend to favour continuity and security (Wang 2000). It is the responsibility of those formulating a strategy to choose a strategy that is compatible with the prevailing corporate culture.

1.1.4 Agriculture Fisheries and Food Authority (AFFA)

The (AFFA) is a state corporation established through an Act of Parliament specifically, under section 3 of the Agriculture, Fisheries and Food Authority Act of 2013. The Act consolidates the laws on the regulation and promotion of agriculture and makes provision for the respective roles of the national and county governments in agriculture and related matters, in line with the provisions of the Fourth Schedule of the Constitution of Kenya. The Authority is therefore the successor of former regulatory institutions in the sector that were merged into directorates under the Authority, with the commencement of Crops Act, 2013 on 1st August 2014, including, Coffee Board of Kenya, Sugar Board of Kenya, Tea Board of Kenya, Coconut Development Authority, Cotton Development Authority, Sisal Board of Kenya, Pyrethrum Board of Kenya And Horticultural Crops Development Authority.
Fisheries and Food Authority Act of 2013 functions include; Administer the Crops Act, and the Fisheries Act in accordance with the provisions of these Acts; Promote best practices and regulate the production, processing and marketing of agricultural and aquatic products; collect, collate data and maintain a database on agricultural and aquatic products, determine the research priorities in agriculture and aquaculture; Advise the national government and the county governments on agricultural levies for purposes of planning, enhancing harmony and equity in the sector.

1.2 Research Problem

Successful strategy implementation is a puzzle in many organisations. The problem is illustrated by the unsatisfying low success rate (only 10 to 30 percent) of intended strategies (Raps and Kauffman, 2005) According to Beer and Eisenstat (2000), there are six reasons why various strategies developed by firms were not implemented effectively. They include management issues of leadership, teamwork and strategic direction and not in the commitment of people and their functional competence. According to Johnson and Scholes (2004), the implementation of appropriate strategies remains one of the most difficult areas of management. Substantial energy and resources must be given over to devising a strategic plan.

Agriculture, Fisheries & Food Authority is the successor of eight former regulatory institutions and two new bodies which are now operating as directorates under the Authority. In its vision of becoming a leading authority in regulation, development and promotion of crops and its mission to regulate, develop and promote crops for socio-economic empowerment and development in its endeavour to implement its strategic plan it faces a host of challenges ranging from high interest rate for farmers, inflation, dynamism of environment, leadership styles, poor financial position, merging former corporates that have different backgrounds and cultures, Industry turbulence and advances in farming technologies have presented new challenges in Agricultural sector.

AFFA is not an exception and thus they have to review their strategy implementation planning.

Local studies on strategy implementation included Awino et al (2012) who investigated the challenges facing the implementation of differentiation strategies in the sugar industry in Kenya. Aosa (1992) conducted an empirical investigation of aspects of strategy formulation and implementation within large private manufacturing companies in Kenya. In another study
Awino (2001) investigated the effectiveness and problems of strategy implementation of financing Higher Education in Kenya. Nduva (2011) conducted a study on Strategy implementation challenges facing Kenya Bureau of Standards. Wangari (2011) conducted a study on Strategy implementation challenges faced by National Hospital Insurance Fund in Kenya. Mukola (2012) investigated Challenges facing Kenya medical research institute in the implementation of the automation strategy. Machuki (2005) investigated the challenges to strategy implementation at CMC Motors Group Limited. While the reviewed studies compare well to the current study, none of the studies concentrated on Agriculture, fisheries & food Authority which faces a unique environment and for this reason the study wishes to answer the following research question: What Agriculture, Fisheries & Food Authority face in strategy implementation and what measures need to be taken to deal with the challenges of strategy implementation?

1.3 Objectives
The main objective is to identify the challenges faced by AFFA in strategy implementation

1.3.1 Specific Objectives:

To identify the challenges faced by AFFA in strategy implementation in relation to

The following:-

(i.) Establish whether Institutional policies affect strategy implementation at Agriculture, Fisheries and Food Authority.

(ii.) To determine whether Resource allocation affect strategy implementation at Agriculture, Fisheries and Food Authority.

(iii.) To determine whether Managerial Behaviour is a determinant of effective strategy implementation at Agriculture, Fisheries and Food Authority.

(iv.) Examine whether Rewards and Incentives influence strategy implementation at Agriculture, Fisheries and Food Authority.

(v.) To determine the measures used to overcome the strategy implementation challenges faced by AFFA
1.3 Value of the Study

To the AFFA the findings of the study will inform the management of AFFA on how to successfully implement strategies as well as measures to mitigate the challenges that arise during the implementation phases. The study proposes appropriate measures to guide the AFFA in designing proper approaches geared towards enhancing their strategy implementation.

A number of studies has been done in regard to strategy implementation in other organisations but not yet undertaken on AFFA. Thus the findings of the study will be useful to future academicians and researchers in terms of contributing to the body of knowledge in the area of challenges to strategy implementation and form a basis of further research as it fills gaps for past studies and gives recommendations for future studies.

The value of the study will be three fold; value to policy, value to practice and value to theory building. The government and other institutions concerned with policy formulation and implementation cannot downplay the contribution of this.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter discussed theories relevant to the study. Literature related to the study was also reviewed with the aim of identifying literature gaps. The literature review guided the relevance of the study findings.

2.2 Theoretical Foundation of the study

A theoretical framework is a collection of interrelated concepts, like a theory but not necessarily so well worked-out. A theoretical framework provides a particular perspective, or lens, through which to examine a topic. This study will focus on the following theories of strategic management, showing their significance to strategy implementation.

2.2.1 Resource Based View Theory

The resource-based view (RBV) emphasizes the firm’s resources as the fundamental determinants of competitive advantage and performance. It adopts two assumptions in analyzing sources of competitive advantage (Barney, 2006; Peteraf & Barney, 2003). First, this model assumes that firms within an industry may be heterogeneous with respect to the bundle of resources that they control. Second, it assumes that resource heterogeneity may persist over time because the resources used to implement firms’ strategies are not perfectly mobile across firms (i.e., some of the resources cannot be traded in factor markets and are difficult to accumulate and imitate). Resource heterogeneity (or uniqueness) is considered a necessary condition for a resource bundle to contribute to a competitive advantage (Cool, Almeida Costa & Dierickx, 2002). The assumed heterogeneity and immobility are not, however, sufficient conditions for sustained competitive advantage (Peteraf and Barney, 2003).

According to Barney (2006), a firm resource must, in addition, be valuable, rare, and imperfectly imitable and substitutable in order to be source of a sustained competitive advantage. The RBV has developed very interesting contributions, among others, with regard to imitation with the concepts of isolating mechanisms (Kueng, 2010), time compression diseconomies, asset mass efficiencies, and causal ambiguity (Dierickx & Cool, 2009).
Recently, much resource-based research has focused on intangible assets, which include information, knowledge, and dynamic capabilities (Mihm, 2010).

Scrutiny and assessment have pointed to a number of unresolved problems in the resource-based approach. These criticisms relate to the unit of analysis, the circularity or tautological nature of the resource-based theory, the exogenous nature of value, the neglect of the environment, the condition of heterogeneity, and the behavioral assumption underlying the condition of non-imitability. Foss (1998) states that the resource-based perspective does not escape the general problem of finding the appropriate unit of analysis. Most contributions within the RBV take the individual resource as the relevant unit of analysis to study competitive advantage. However, Foss (1998) points out that this choice may only be legitimated if the relevant resources are sufficiently well-defined and free-standing. Lyneis and Cooper (2011) asserts the circularity of the resource-based view they also identified a second important problem, namely the exogenous nature of value in the RBV and because of its tautology and its exogenous determination of value Lyneis and Cooper (2011) conclude that the resource-based view has contributed very little to the explanation or prediction of competitive advantage and recommend that scholars address core connections between resources and the environment because, while resources represent what can be done, the competitive environment represents what must be done to compete effectively in satisfying customer needs.

2.2.2 Institutional Theory

Institutional theory attends to the deeper and more resilient aspects of social structure. It considers the processes by which structures, including plans, rules, norms, and routines, become established as authoritative guidelines for social behavior. It enquires into how these elements are created, diffused, adopted and adapted over space and time; and how they fall into decline and disuse. Although the perceived subject is stability and order in social life, students of institutions must attend not just to consensus and conformity but to conflict and change in social structures. (Mason 2003)

The basic concepts and premises of the institutional theory approach provide useful guidelines for analyzing organization-environment relationships with an emphasis on the social rules, expectations, norms, and values as the sources of pressure on organizations. This theory is built on the concept of legitimacy rather than efficiency or effectiveness as the primary organizational goal (Doug and Scott, 2004). The environment is conceptualized as the
organizational field, represented by institutions that may include regulatory structures, governmental agencies, courts, professionals, professional norms, interest groups, public opinion, laws, rules, and social values. Institutional theory assumes that an organization conforms to its environment.

Researchers such as Meyer and Rowan (1991), 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. The theory that best informs strategic management challenges is the Institutional Theory since it explains the internal challenges that inhibit strategy implementation. The theory explains why institutions behave the way they do and this can be a starting point of understanding the challenges of strategy implementation. Not only does it emphasize on resources and capabilities, it also explains the role of norms and cultures on strategy implementation failure. (Powell (1983)

2.2.3 Strategic Leadership Theory

The essence of strategic leadership involves the capacity to learn, the capacity to change and managerial wisdom (Boal & Hooijberg, 2001). Strategic leadership theories are concerned with the leadership of organizations and are marked by a concern for the evolution of the organization as a whole, including its changing aims and capabilities (Selznick, 1984). According to Boal and Hooijberg (2001) strategic leadership focuses on the people who have overall responsibility for the organization and includes not only the head of the organization but also members of the top management team.

Hosmer (1982) noted that contingency theories of leadership did not account for an organization’s competitive position in the industry. Hosmer proposed that the task of the leader was different from that of a manager because a leader must constantly consider the organizational strategy in relation to the external environment. In this way, leadership represents a higher order of capability that involves both developing strategy and influencing others to follow it. Hambrick and Mason (1984) built on this idea and proposed what was then known as 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. 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. This theory was adapted and expanded by subsequent authors, and eventually came to be known as strategic leadership theory (Finkelstein & Hambrick, 1996).

A fundamental premise of strategic leadership theory is that a leader’s field of vision and interpretation of information is influenced by that leader’s values, cognitions, and personality (Cannella & Monroe, 1997). Specific expressions of this underlying premise continue to be studied today. As the theory was refined by subsequent authors, strategic leadership theory grew to address the larger question of how a top-level leader contributes to organizational performance. Relying on the constructive development theory of Kegan (1982), Lewis and Jacobs (1992) argued that a leader’s capacity to construct meaning of the organizational environment was more important than other factors such as values or leadership style. This theory was later linked with Jaques and Clement’s (1991) stratified systems theory, which asserted that the complexity of the leadership task escalates as one moves up the hierarchy. Taken together, these theories assert that in order to be effective, the developmental capacity of a strategic leader must be well matched to the complexity of the work (Lewis & Jacobs, 1992).

More recently, authors in strategic leadership have described strategic leadership in broader terms. Ireland and Hitt (1999) proposed six components of effective strategic leadership: determining the organization’s purpose or vision; exploiting and maintaining core competencies; developing human capital; sustaining an effective organizational culture; emphasizing ethical practices; and establishing balanced organizational controls. When these elements are in place, they argue, the firm’s strategic leadership becomes a source of competitive advantage for an organization. In a similar effort focused on providing a broader, more integrative framework to explain how a top-level leader influences organizational outcomes, Boal and Hooijberg (2000) called for researchers to look beyond demographic variables and work instead to integrate research from other fields to describe the process whereby strategic leaders affect organizational outcomes. In keeping with this direction they proposed that at its core strategic leadership is about a leader’s ability to create and maintain three capacities within the organization: absorptive capacity (or the capacity to learn), the capacity to change, and the capacity for managerial wisdom.
2.3 Strategy Implementation

Organizations that are successful at strategy implementation effectively manage six key supporting factors: Action Planning, Organization Structure, Human Resources, The Annual Business Plan, Monitoring and Control and Linkage. First, these organizations that are successful at strategy implementation develop detailed action plans, chronological lists of action steps (tactics) which add the necessary detail to their strategies and assign responsibility to a specific individual for accomplishing each of those action steps. Also, they set a due date and estimate the resources required to accomplish each of the action steps. Thus, they translate their broad strategy statement into a number of specific work assignments (Birnbaum, 2009).

Organization structure is a crucial factor influencing strategy implementation. 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).

Human Resource is important in strategy implementation. Organizations successful at strategy implementation consider the human resource factor in making strategies happen. Further, managers successful at implementation are aware of the effects each new strategy will have on their human resource needs. They ask themselves questions as to how much change the strategy calls for. In addition, they also ask questions about how quickly the organization must provide for that change. Furthermore, they ask about the human resource implications of the answers to aforementioned questions. In answering these questions, management will decide whether to allow time for employees to grow through experience, to introduce training, or to hire new employees (Peng & Littleton, 2001).

The annual business plan informs strategy implementation. Organizations successful at implementation are aware of their need to fund their intended strategies. And they begin to think about that necessary financial commitment early in the planning process. First, they "ballpark" the financial requirements when they first develop their strategy. Later, when developing their action plans, they "firm up" that commitment. Finally, they "dollarize" their strategy. That way, they link their strategic plan to their annual business plan (and their budget). And they eliminate the "surprises" they might otherwise receive at budgeting time (Rapert, Velliquette, & Garretson, 2002). 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 once derailed back on track. Unlike strategy formulation, strategy implementation is often seen as something of a craft, rather than a science, and its research history has previously been described as fragmented and eclectic (Noble, 1999). It is thus not surprising that, after a comprehensive strategy or single strategic decision has been formulated, significant difficulties usually arise during the subsequent implementation process.

2.4 Challenges of Strategy Implementation

Whereas most organizations develop very good strategies, successful implementation remains a major challenge because translating strategy into action is far complex, difficult and expensive. The challenges range from technology, human resource, organization structure, globalization of business, culture, leadership, policies and reward system. Hill (2009) conducted a study that suggested that organizations that implement good practices covering a range of managerial aspects, and who are achieving organizational results are likely to be closer to satisfying their staff.

Studies by Okumus (2003) found that the main barriers to the implementation of strategies include lack of coordination and support from other levels of management and resistance from lower levels and lack of or poor planning activities. Freedman (2003) lists out a number of implementation pitfalls such as isolation, lack of stakeholder commitment, strategic drift, strategic dilution, strategic isolation, failure to understand progress, initiative fatigue, impatience, and not celebrating success. Sterling (2003), identified reasons why strategies fail as unanticipated market changes; lack of senior management support; ineffective competitor responses to strategy application of insufficient resources; failure of buy in, understanding, and/or communication; timeliness and distinctiveness; lack of focus; and bad strategy with poorly conceived business models. Sometimes strategies fail because they are simply ill conceived. For example business models are flawed because of a misunderstanding of how demand would be met in the market.

Allio (2005) notes that among the lead causes of failure in implementation is lack of rewards and lack of clear cut lines of responsibility and accountability which leads to inaction due to lack of accountability. In addition the organization’s culture can also be an impediment in the process of strategic implementation. Strategists should strive to preserve, emphasize and build up on aspects of an existing culture that supports proposed new strategies. Culture may be a
factor that drives strategy rather than the other way round (Kazmi, 2002). If the existing structure is hostile to the proposed strategy, then it should be identified and changed. People can be captured by their collective experience rooted in the past success and organizational and institutional norms (Johnson and Scholes, 2002). Changing an organization’s culture to fit new strategy is usually more effective than changing strategy to fit existing culture (David, 1997).

Durden (2001) showed that technology plays a key role in the implementation of strategy. There is inadequate research into technology strategies and change. For instance, the introduction and use of new technology that is consistent with global electronic banking services from formulation of strategies, to planning approaches, to physical implementation of technology in organizations. The success of any strategy depends on the involvement of all staff at whatever level they contribute to the organization performance. The non-involvement will result in resistance to the new changes and this can derail the strategy implementation. The lack of understanding of a strategy and inability to connect strategy formulation and implementation has an impact on successful implementation (Kombo, 2008). The other challenge to strategy implementation is organization politics. These are tactics those involved in strategy engage to obtain and use power to influence organization goals and change plans to further their interests (Hill, 1999). The challenge organizations face is that the internal structures of power always lags behind changes in the organisation as a whole because the environment changes faster than the organization responds.

According to Jooste and Fourie (2006) many barriers to effective strategy implementation exist. 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. In turn, Strategic leadership is also viewed as a key driver to effective strategy implementation. According to Hamid (2010) studies show that most big companies have had problems in implementing their strategies. His study identified effective factors, like: leadership, organizational structure, human resources, information systems and technology, on successful implementation of strategies in service sector. For this purpose, statistical population were randomly selected from Pasargad Bank branches in Tehran and include the branch presidents, their deputies and executives working in the bank branches as well as managers of Central Office of Pasargad Bank. Sampling 19 was based on the simple random sampling. The questionnaire was used as the information gathering device. Reliability of questionnaire was studied by three experts and two managers of central office, and for validity measurement
Cronbach's Alpha test was used. He used sign test for measuring the effects and Wilcoxon for group difference on depended variable. The findings showed that all mentioned factors affect the strategy implementation but their effects rates are different.

Kamanga (2013) conducted a study to identify the causes of delay in completing road construction projects in Malawi. The results were analyzed using the Relative Importance Index (RII) and Spearman's Rank Correlation Coefficients, which indicated that the top ten causes of delay in Malawi are: shortage of fuel, insufficient contractor cash-flow, shortage of foreign currency for importation of materials and equipment, slow payment procedures adopted by the client in making progress payments, inefficient equipment, delay in relocating utilities, shortage of construction materials, delay in paying compensation to land owners, shortage of technical personnel, and delay in site mobilization. The causes of delay are significant and should be given attention by client organizations, consultants and contractors to enable the timely completion of projects in future.

Muell and Shani (2008) asserts that one of the inhibitors of strategy execution is the lack of resources; resources are either inadequate or unavailable when needed. In South Africa, inadequate or insufficient human resources contribute significantly to an organization challenge of successfully implementing strategies. Due to the skills shortage, it is not only difficult to recruit the right talent but also to retain the right talent. High executive turnover sees too many key managers depart before a strategy is fully executed.

Harrington (2006) investigated the moderating effects of size, manager tactics and involvement on strategy implementation in Canadian food service sector. Schaap (2006) conducted an empirical study on the role of Senior-Level Leaders in the Nevada Gaming Industry in USA. On the other hand, Lehner (2004) investigated Strategy Implementation Tactics as Response to Organizational, Strategic, and Environmental Imperatives among 136 Upper-Austrian firms. However, all these studies were carried out in developed countries. Drazin and Howard (1984) quoted by Noble (1999b) see a proper strategy-structure alignment as a necessary precursor to the successful implementation of new business strategies (Noble, 1999b). They point out that changes in the competitive environment require adjustments to the organizational structure.

In view of the above, this study will focus on four challenges that included influence of managerial behaviour, rewards and incentives, resources allocation practices and institutional policies.
2.5 Managing Challenges of Strategy Implementation

A strategy may be good, but if its implementation is poor the strategy may not be achieved. Successful strategy implementation will usually involve empowering others to act in doing all the things needed to put the strategy into place and to execute it proficiently (Thompson and Strickland, 2002). Successful implementation in part involves preventing implementation problems from occurring in the first place (Alexander, 2003). If such problems occur during implementation, then quick action should be taken to solve them.

One of the measures that should be taken to deal with challenges of strategy implementation is using a logical approach to execution. Managers need and benefit from a logical model to guide execution decisions and actions. Without guidelines, execution becomes a problem. Without guidance, individuals do the things they think are important, often resulting in uncoordinated, divergent, even conflicting decisions and actions. Without the benefit of a logical approach, execution suffers or fails because managers don’t know what steps to take and when to take them. Having a model or roadmap is crucial to positively affect execution success; not having one leads to execution failure and frustration (Hrebiniak, 2008).

Organizations have at least four types of resources that can be used to achieve desired objectives namely; tangible resources; namely, financial resources, physical resources, as well as intangible resources namely; human resources, technological resources, reputation and culture (David, 2003). The operation level must have the resources needed to carry out each of the strategic plan. Organization structures also influence the types of strategy to be used by an organization. An organization structure is the formal framework by which jobs tasks are divided and coordinated (Robins and Coutler, 2002). A good organizational structure will help people work together and hence promote effective implementation of strategy. Organizational culture refers to the set of important assumptions (often unstated) that members of an organization share in common (Pearce and Robinson, 1991). It will include the norms and values that the people of the organization hold dear. Culture may hinder smooth or proper systems and structures must be in place for successful strategy implementation. Systems refer to the formal and informal procedures used to manage the organization, including management control system, performance measurements and reward systems, planning and budgeting and resource allocation and management information systems (Kaplan, 2005). These activities need to be carried out efficiently because they reinforce the implementation of strategy to ensure the whole process is a success.
2.6 Research Gap

Awino, et al, (2012) investigated the challenges facing the implementation of differentiation strategies in the sugar industry in Kenya. Aosa (1992) conducted an empirical investigation of aspects of strategy formulation and implementation within large private manufacturing companies in Kenya. In another study Awino (2001) investigated the effectiveness and problems of strategy implementation of financing Higher Education in Kenya. Nduva (2011) conducted a study on Strategy implementation challenges facing Kenya Bureau of Standards. Wangari (2011) conducted a study on Strategy implementation challenges faced by National Hospital Insurance Fund in Kenya. Mukola (2012) investigated Challenges facing Kenya medical research institute in the implementation of the automation strategy. Machuki (2005) investigated the challenges to strategy implementation at CMC Motors Group Limited. However, none of these studies concentrated on challenges of strategy implementation at Agriculture, Fisheries & Food Authority and this is the gap that this study wishes to address.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides the procedures that the researcher used to collect and analyse data. The following areas were covered: research design, target population, data collection and data analysis.

3.2 Research Design

Research design is a plan, structure of investigation conceived so as to obtain answers to the research questions as validly, objectively, accurately and as economically as possible (Cooper & Schindler, 2003). Case study is essentially an intensive investigation of a particular unit under consideration (Kothari, 2004). To achieve the objective of the research, case study method was employed. The method of research which concerns itself with the present phenomena in terms of conditions, practices, beliefs, processes, relationships or trends invariably is termed as “descriptive survey”. This allowed the researcher to collect data from one major unit, AFFA.

3.3 Study Population

Mugenda and Mugenda (2003) define population as the set of all units of analysis in one problem area. Based on this definition, the population from which the conclusion of the study was made included the Director General, all Heads of Directorates, top management and the Manager in charge of Strategic Planning of AFFA. The method helped to ensure an unbiased study population Therefore, sampling was not applicable for the study.

**Strata (Subgroups) of the study**

<table>
<thead>
<tr>
<th>Strata (Sub-group)</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director General at AFFA Head Office</td>
<td>1</td>
</tr>
<tr>
<td>Heads of Directorates</td>
<td>8</td>
</tr>
<tr>
<td>Top Management at AFFA Head Office</td>
<td></td>
</tr>
<tr>
<td>Head of Finance &amp; Administration</td>
<td>1</td>
</tr>
<tr>
<td>Head of Supply Chain</td>
<td>1</td>
</tr>
<tr>
<td>Head of Legal Affairs</td>
<td>1</td>
</tr>
<tr>
<td>Head of Strategy and Business planning</td>
<td>1</td>
</tr>
<tr>
<td>Head of Corporate Communication</td>
<td>1</td>
</tr>
<tr>
<td>Head of Human Resource Management</td>
<td>1</td>
</tr>
<tr>
<td>Head of Audit and Risk Management</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16</strong></td>
</tr>
</tbody>
</table>
3.4 Data Collection

Primary qualitative data was used for the study specifically by use of interview guide. Data was collected from Director General, all Heads of Directorates, top management and the Manager in charge of Strategic Planning of AFFA. This instrument was considered appropriate for this study because all the respondents were well informed top management team of AFFA and the number was fairly large. The choice to use the interview guide was informed by the fact that the method of data collection ensures that objective and accurate results are obtained. Interview guides are good in measuring perception, attitude, values and behaviour and thus the scale assisted in converting the qualitative responses into quantitative values (Mugenda & Mugenda, 2003)

Interviews were conducted from Director General, all Heads of Directorates, top management and the Manager in charge of Strategic Planning of AFFA. Interviews assisted the researcher to clarify issues from people with expert or deep knowledge on specific aspects of the study. An interview guide (Appendix II) was used to ensure that uniform set of issues were discussed across the various interviewees.

3.5 Data Analysis

Data analysis is the processing of data collected to make meaningful information out of them (Sounders, Lewis and Thornhill, 2009). Burns and Grove (2003) define data analysis as a mechanism for reducing and organizing data to produce findings that require interpretation by the researcher. De Vos (2002) goes ahead and describes data analysis as a challenging and creative process characterized by an intimate relationship of the researcher with the participants and data generated. This was necessary as raw data would convey little meaning to most people. The researcher analyzed the presence, meanings and relationships on the concept of strategy implementation which were summarized in comparison with the theories captured in the literature review. Data collected was purely qualitative in nature. Content analysis was used for data analysis since it involved discussion.
CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter covers the analysis of the data collected and findings of the research. The data analysis has been done in line with the objectives of the study, which focused on assessment of the challenges of strategy implementation at Agriculture, Fisheries and Food Authority. Data was gathered by use of interview guide. The study targeted AFFA Director General, Heads of Directorates, top management and the manager in charge of Strategic Management. Descriptive statistics was used in this chapter to capture the statements of the interviewees during interviews.

4.2 Discussion

The research looked at the challenges of strategy implementation at Agriculture, Fisheries and Food Authority, the regulatory body and the successor of eight former regulatory corporations and two new bodies which are now operating as directorates under the Authority. AFFA was established under the Crops Act 2013. Immediately the management team came up with the Authority’s Strategic Plan. Strategy implementation was face with challenges partly as a result of poor planning, poor strategy implementation and unrealistic objectives. The finding of the study concurs with Thompson and Stickland (2007) empirical study where an organization’s Strategic Plan has to be well matched with the industry and competitive conditions, best market opportunities and its external environment. Therefore, the plan has to be tailored to the Authority’s resources, strengths and weaknesses, competencies, and competitive capabilities for proper implementation and attainment of the obligations of the plan.

The findings of the study show that there is implementation framework at AFFA, but the execution of the framework by Agriculture, Fisheries and Food Authority has brought about major shortcomings in the implementation of the plan. Sterling, J. (2003) argues that for a strategy to be implemented successfully it calls for the use of managerial and organizational tools to direct resources towards accomplishing strategic results. The finding of the study supports Sterling, J. (2003) empirical study that is supported by Thompson and Strickland (2007) who argue that implementing and executing strategy entails figuring out all the specific
techniques, actions and behaviors that are needed for a smooth strategy and then following through to get things done and deliver results. It should be noted that for effective implementation of strategy the necessary tool and action plans need to be in place and are executed properly for the activities in the plan to be accomplished in the shortest time possible. The following is a thematic discussion guided by the research objectives and interpretive inferences made from the literature review discussed in the study.

4.3 Challenges of Institutional policies in strategy implementation

4.3.1 Interview Data

Institutional policies were found to have influence on the implementation of strategic plans at Agriculture, Fisheries and Food Authority. On Question 1, the 16 interviewees to the interview guide gave varied types of strategic implementation practices employed by Agriculture, Fisheries and Food Authority. 14 interviewees out of 16 concurred that policies and procedures pose a challenge to strategy implementation.

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do policies and procedures pose a challenge to strategy implementation at Agriculture, Fisheries and Food Authority?</td>
<td>14</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 2 Response on effects of procedures and Policies. Source: Researcher, 2015

Figure 1 Policies and procedures on strategy implementation. Source: Researcher, 2015
4.3.2 Response analysis

It was noted that AFFA needs to have communication policy that would be applied in informing all AFFA stakeholders of strategic direction that the Authority is taking so that all the stakeholders will support strategy implementation. All in all the interviewees agreed that some procedures and policies are supportive of strategy implementation while others are not. There was also evidence that the low influence of policy statements on decision making is an indicator to the relative weakness of correlation between implementation of strategies and institutional policies. It is upon the top management to work on the policies and procedures that are causing a challenge to strategy implementation.

According to the findings of the study, policies and procedure systems being applied by Agriculture, Fisheries and Food Authority have influence on the implementation of the Authority’s strategic plan. Some activities are delayed due to some institutional procedures at AFFA yet some delays cause reduced efficiency and effectiveness of strategy implementation. A company’s policies and procedures can either assist the cause of good strategy execution or be a barrier (Thompson and Strickland, 2007). The finding of this study concurs with Thompson and Strickland (2007) empirical study by noting that anytime a company moves to put new strategy elements in place or improve its strategy execution capabilities, managers are well advised to undertake a careful review of existing policies and procedures, proactively revising or discarding old policies and procedures.

4.4 Resource allocation and its effect on strategy implementation

4.4.1 Interview Data

Fourteen interviewees indicated that resource allocation was vital and determined the overall success or failure of strategy implementation at Agriculture, Fisheries and Food Authority. The other two felt that resource allocation was important but could not determine the overall success or failure of strategy implementation.
4.4.2 Response analysis

Most interviewees indicated that projects took more time than allocated due to insufficient resources allocated. Occasionally or frequently major problems surfaced which had not been identified earlier. It appears that coordination was not generally effective. Responses indicated that competing activities often distract attention from implementing decisions. It also appears employee capabilities are generally insufficient hence need for retraining and improved way of giving instruction is desirable.

4.5 Effect of Managerial Behavior on strategy implementation

4.5.1 Interview Data
Managerial behavior as an implementation factor was found to influence strategy implementation at Agriculture, Fisheries and Food Authority. 12 of the 16 interviewees to the prescribed interview guide indicated that Managerial Behavior was a strong factor challenging strategy implementation at Agriculture, Fisheries and Food Authority as shown below.
Table 4 Managerial behavior and strategy implementation. Source: Researcher, 2015

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>In your Opinion, Is Managerial Behavior a factor affecting strategy implementation at Agriculture, Fisheries and Food Authority?</td>
<td>12</td>
<td>4</td>
</tr>
</tbody>
</table>

Figure 3 Managerial Behavior and Strategy implementation. Source: Researcher, 2015

4.5.2 Response analysis

Management team that was interviewed mentioned motivation and compensation factors as challenges they faced in terms of employee morale, behavior and general approach during implementation of the Authority strategy. Other factors that hindered management to perform better in strategy implementation included Government Legislation, Political atmosphere and many staff transfers as well as turnover. The many staff transfers is necessitated by the need to break up institutional cultures that had been in the former corporates and try to create a new AFFA culture.

In general the findings show that, overall goals are not sufficiently well understood by employees. Furthermore, changes in responsibilities of key employees are not clearly defined. From the responses received, key formulators of strategic decisions, the Management occasionally did not play an active role in implementation. Most interviewees acknowledge that leadership and direction provided by departmental managers were inadequate. Problems requiring top management involvement were not communicated early enough. There was also a lot of deviation from original plan objectives and general lack of metrics in rewards administration.
4.6 Role of Rewards and Incentives on strategy implementation

4.6.1 Interview Data

Of the 16 interviewees, 12 indicated that rewards and incentives had a strong influence strategy implementation at Agriculture, Fisheries and Food Authority? The other 4 indicated that it had an effect which was not very strong.

Table 5 Rewards and Incentives on strategy implementation. Source: Researcher, 2015

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do Rewards and Incentives influence strategy implementation at Agriculture, Fisheries and Food Authority?</td>
<td>12</td>
<td>4</td>
</tr>
</tbody>
</table>

Figure 4 Rewards and Incentives on strategy implementation. Source: Researcher, 2015

4.6.2 Response analysis

The influence of Rewards and Incentives on implementation of strategic management plans was established as very strong. Interviewees expressed that lack of clear policies on staff rewards and incentives demoralized staff hence caused them not support fully implementation of strategies. Further high staff turnover was attributed to poor rewards and incentives. All interviewees agreed that effective communication was essential for Management to effectively execute strategies. Other factors mentioned included Industry regulation, Organizational Governance and Government Funding. The responses are summarized as
shown below. It was noted that since reward and incentive system was wanting, staff of AFFA lack feelings of “ownership” of strategy or execution of the same.

In summary, the process of strategy implementation cannot be undertaken in isolation without considering the factors that influence the implementation process in strategic planning. Several studies on strategy implementation have shown the importance of individual factors for strategy implementation and emphasize the big picture of how such factors interrelate and form a strategic implementation environment.
CHAPTER FIVE
SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter gives summary, conclusion and recommendations of the research. It presents a summary of key findings based on the objectives of the study and draws conclusions based on the key findings and discussions of the findings. The chapter also highlights the recommendations for further research based on the key findings of the study. Finally, the chapter covers limitations of the study.

Freedman (2003) lists out a number of implementation pitfalls such as isolation, lack of stakeholder commitment, strategic drift, strategic dilution, strategic isolation, failure to understand progress, initiative fatigue, impatience, and not celebrating success. Sterling (2003), identified reasons why strategies fail as unanticipated market changes; lack of senior management support; ineffective competitor responses to strategy application of insufficient resources; failure of buy in, understanding, and/or communication; timeliness and distinctiveness; lack of focus; and bad strategy with poorly conceived business models. Sometimes strategies fail because they are simply ill conceived.

5.2 Summary of the Findings

The study focuses on challenges of strategy implementation at Agriculture, Fisheries and Food Authority, was guided by four objectives that included influence of managerial behaviour, rewards and incentives, resources allocation practices and institutional policies. The study revealed that Managerial Behaviour, Resource Allocation and Rewards and Incentives have a strong effect on strategy implementation unlike Institutional Policies. The research notes that the Authority is not very old and is implementing its first strategic plan, but staff and management are not new to strategy formulation and implementation as they had experienced the same at their former institutions and many of the activities of strategy implementation were are still in work in progress. However, it is worth noting that AFFA is not an old institution as it came into being through Crops Act 2013 after merger of eight former Corporates under the Ministry of Agriculture but AFFA’s current mandate and activities are
inter-related with those of the former corporates. The Study also notes that AFFA’s structure does not give a good fit to strategy hence the challenge in implementing the strategic plan.

5.3 Conclusion

5.3.1. Conclusion on Objective 1

The first objective was on challenges that organisational policies and procedures pose to strategy implementation. According to (Pearce and Robinson, 2011) policies and procedures follow the defined strategy. Implementation of strategy in an organization can be influenced by external factors which include government policies which define how an organization operates. The government policies developed by the national institution and policy reforms are defined by the new political system and the government structure (Vision, 2030). Effective implementation of strategy can be defined by how the strategy fits the industry structure (Chandler, 1992). Thus it can be concluded from the findings of the study that Institutional Policies and procedures are important for co-ordination but have little effect on strategy implementation at Agriculture, Fisheries and Food Authority.

5.3.2. Conclusion on Research Question 2

(Barney, 2006; Peteraf & Barney, 2003) state that firm’s resources are fundamental determinants of competitive advantage and performance. It can be concluded from the findings of the study that Resource allocation is key to successful Strategy Implementation. An organization uses its history, skills, resources, knowledge and various concepts to explore its future actions through constant review of its strategies and objectives that aim at greater success. Nothing affects a company’s ultimate success or failure more fundamentally than how well its management team manages the company’s resources. The study finds Resource Allocation as one influential factor towards implementing the industry strategic plan. A company’s ability to marshal the resources needed to support new strategic initiatives and steer them to the appropriate organizational department has a major impact on the strategy implementation and execution process (Thompson and Strickland, 2007).
5.3.3. Conclusion on Research Question 3
The purpose of implementing strategies is that managers and employees collaborate to perform formulated strategic planning to ensure effective implementation. The most important matter that displays the role of information systems in implementing strategy is managers’ need for reciprocal exchange of information through proper management information systems. Human Resource is important in strategy implementation. Organizations successful at strategy implementation consider the human resource factor in making strategies happen. Further, managers successful at implementation are aware of the effects each new strategy will have on their human resource needs. It can be concluded from the findings of the study that Managerial Behaviour is key to successful Strategy Implementation. Institutional plans, especially strategic plans are used as tools for decision making on financial, technological, legal and human resources management decisions. Success in implementation of plans is an indicator of managerial thinking which is a pre-requisite for strategic management success. This is compounded by the fact that the most successful areas of long term strategy implementation for AFFA must lie in the areas of finance, technology, legal and human resources management.

5.3.4. Conclusion on Research Question 4
It can be concluded from the findings of the study that Rewards and Incentives are key to successful Strategy Implementation. Human Resource Management practices including rewards and incentives play an integral role in implementing the industry strategic plan according to the findings of the study. This finding supports Thompson and Strickland (2007) argument that the task of implementing and executing challenging strategic implementation and initiatives must be assigned to top management who have the skills and talents to handle them and who can be counted on to turn their decisions and actions into results that meet or beat the established performance targets.

5.4 Recommendations
The following recommendations are based on the findings of the study.

5.4.1. Recommendations for Research Question 1
The study recommends the institutionalization of policies so that their guiding philosophies are shared across the organizations’ leadership and to avoid them being contended as managerial inclination or be applied selectively hence bring discontentment among staff.
The industry should undertake consultation forums to review status of implementing policies which will provide opportunities to all stakeholders to learn on how to operationalize and institutionalize the strategies and activities of plan from the leaders and managers, and innovators of the industry. Benchmarking should be embraced by AFFA to share and learn from other industry players.

5.4.2. Recommendations for Research Question 2

Agriculture, Fisheries and Food Authority should ensure that there is proper framework for setting goals, assigning tasks and mobilizing resources for the activities that will achieve goals of the strategic plan. There should be opportunity for the exchange of ideas by all levels of staff and ownership in strategy and equitable sharing of resources to implement strategies. Muell and Shani (2008) asserts that one of the inhibitors of strategy execution is the lack of resources; resources are either inadequate or unavailable when needed. Organisational resources require protection and critical analysis of their availability and quantities that are available over a certain period of time.

5.4.3. Recommendations for Research Question 3

The study recommends that Agriculture, Fisheries and Food Authority create a higher level of involvement of staff members in any further strategy development, implementation and review to avoid hands off approach and lack of ownership on their part. Senior management should benchmark with other industry players in an aim to improve service delivery. Frequent customer satisfaction surveys will guide on changing consumer desires and demands

5.4.4. Recommendations for Research Question 4

The study recommends that Agriculture, Fisheries and Food Authority create a clear policy for reward and incentive management to avoid the hands off approach and lack of ownership on their part. It is also critical that a review is done to distinguish between strategic plan implementation and other performance and Quality management tools such as performance contracting.

AFFA should embrace strategy implementation because Strategy is a potentially very powerful tool for coping with the conditions of change which surround the Authority today. The Authority must be willing and ready to modify its strategy in response to changing market
conditions, advancing technology, the fresh needs of stakeholders, shifting consumer needs and preferences, emerging market opportunities, new ideas for improving the strategy and mounting evidence that the strategy is not working well. Regardless of whether a company’s strategy changes gradually or swiftly, the important point is that a company’s present strategy is always temporary and on trial, pending new ideas for improvement from management, changing industry, competitive conditions and any other new developments that management believe warrant strategy adjustment. Thus, a company’s strategy at any given point is fluid, representing the temporary outcome of an ongoing process that, on the other hand, involves reasoned and creative management efforts to craft an effective strategy and also it involves ongoing responses to market change and constant experimentation (Thompson and Strickland, 2007).

In general, the study has shown that Strategy implementation focuses on a wider array of factors that influence its implementation both internally and externally as well as behavioral and systematic factors. Some other internal factors include organization structure. According to Chandler (1962), the organizational structure is directly influenced by its strategies, thus structure follows Strategy. Strategy implementation is thus a process in which all planning and budgeting activities, policies and procedures follow the defined strategy (Pearce and Robinson, 2011). It may involve some changes in organization's culture, structure and managerial system or even a wide general change in all these mentioned fields. The purpose of implementing strategies is that managers and employees collaborate to perform formulated strategic planning to ensure effective implementation. The most important matter that displays the role of information systems in implementing strategy is managers' need for reciprocal exchange of information through proper management information systems.

Implementation of strategy in an organization can be influenced by external factors which include government policies which define how an organization operates. The government policies developed by the national institution and policy reforms are defined by the new political system and the government structure (Vision, 2030). Effective implementation of strategy can be defined by how the strategy fits the industry environment (Chandler, 1992). Successful implementation of strategy can be influenced by competition from rival firms or organizations.
According to Thompson and Strickland (2007) he states that a creative strategy that sets a company a part from rivals and yields a competitive advantage is a company’s most reliable ticket for earning above average profits. Successful implementation of strategies results from integrating and coordination of technological innovations, production processes, marketing, financing and personnel which defines how the goals in the strategies are achieved. Mitchell (1992) emphasizes on the importance of relationship between main goals and operational targets of organization and its technological strategy.

The research confirms that Strategy implementation can also be influenced by both behavioral and systematic factors in an organization. Strategic leadership and management is the ability to shape the organization’s decision making and deliver high value over time, not only personally but also by inspiring and managing others in the organization with a clear direction for its future (Lynch, 2009). The success of strategy implementation depends on how well an organization has set up its policies and procedures which will be mitigated into the defined strategy. The most important factor in implementing strategy is communication systems that are in place to enhance proper flow of information from the management to the middle and lower level managers, and finally to the employees.

Implementation can also be influenced by economic factors such as inflation, balance of payment, exchange rate against major world currencies, bank lending rate. Finally, implementation of strategy can be influenced by benchmarking processes by coming up with strategies that tend to outwit rival companies through sustaining competitive advantage (Thompson and Strickland, 2007).

5.5 Limitations of the Study

The study was constrained by the following issues
Busy Directors and top management the target interviewees were quite busy and to get appointment with them called for allocation of sufficient time and patience by the researcher to get their audience.

Workload with managers because the Authority is on transition, the Directorates are transiting from being corporates to being departments (Directorates). AFFA is still young in its
operations and is in process of setting some of structures for operation, thus some managers have much workload. Since managers are trying to cope with increased work load, they could only afford limited time for the research

Mode of data collection of interview guide was challenging. Considering the management have much workload, they would have preferred to have questionnaires that they would fill during their free time.

Collection of Data from suspicious environment could have led to information moderation for the sake of safeguarding the confidentiality of management staff. Even though the cover letter was available to support the uptake of the research, researcher was asked in several occasions, the purpose of the research by interviewees.

It is however important to confirm that the research findings and the value of the research were not compromised by these limitations. Highlighting the limitations is meant to remind the users of the research findings of limitations of the research.

5.6 Suggestions for Further Study

This study suggests that more studies need to be undertaken later after the Authority has implemented a greater part of its Strategic Plan and within the concept of strategy in the main agriculture industry in areas such as corporate governance, strategy, performance and change management. The study also suggests that similar studies should be done in other government mergers such as Kenya Agricultural and Livestock Research organisation and sectors such as energy, or educational sector to contribute to the body of knowledge in the area of strategy management and implementation.
REFERENCES


Mukola, C. (2012) *Challenges facing Kenya medical research institute in the implementation of the automation strategy*: Unpublished MBA Project


APPENDICES

Appendix I: Interview Guide

Section A: Participants details

1. Name (optional)………………………………………………………………..

2. Your position at AFFA……………………………………………………………..

3. Period in Position……………………………………………………………………

4. Period in the Authority………………………………………………………………

I. Director General and Heads of Directorates

1. What are the broad objectives of AFFA Strategic Plan?

2. What role do you play in communicating the Authority’s strategic plan to members of staff?

3. Explain what role the senior management staff play in the implementation of the Authority’s strategic plan?

4. In your Opinion, is Managerial Behavior a factor affecting strategy implementation at Agriculture, Fisheries and Food Authority?

5. Can you briefly describe AFFA’s organizational structure? Is the plan fit for the structure? Have there been any changes in the structure to fit the plan?

6. What are some of the challenges you face in terms of employee morale, behavior and general approach to work during the implementation of the plan? How did you go about them?

7. Comment on how AFFA has undertaken the following tasks to build high performance culture towards strategy implementation

   a) Training of employees on strategy implementation?
   b) Motivating employees to be innovative and creative?
   c) Setting of performance targets?

8. What can you comment on availability of resources for the Authority to implement its strategic plan?

9. Are the present policies and procedures a challenge to strategy implementation?

10. What action plans has the Authority adopted to ensure that there is proper implementation of the strategic plan?
11. In your own words, could you share some of the factors that influence implementation of the industry strategic plan?
12. What recommendations do you have for future efforts on implementation?
13. Is there anything more you would like to add?

II: Senior Management and Manager in charge of Strategic Planning

1. Is Managerial Behavior a challenge to strategy implementation at Agriculture, Fisheries and Food Authority?
2. In your own word could you explain what role the senior management staff plays in the implementation AFFA strategic plan?
3. What action plans has AFFA adopted to ensure that there is proper implementation of the Authority’s strategic plan?
4. Do Institutional policies and procedures affect strategy implementation at Agriculture, Fisheries and Food Authority?
5. Does Resource allocation affect strategy implementation at Agriculture, Fisheries and Food Authority?
6. Do Rewards and Incentives influence strategy implementation at Agriculture, Fisheries and Food Authority?
7. Can you briefly describe your organizational structure? Is the plan fit for the structure? Have there been any changes in the structure to fit the plan?
8. What are some of the challenges you face in terms of employee morale, behavior and general approach to work during the implementation strategic plan? How did you go about them?
9. Comment on how your company has undertaken the following tasks to build high performance culture towards strategy implementation
   a) Training of employees on strategy implementation?
   b) Motivating employees to be innovative and creative?
   c) Setting of performance targets?
10. In your own words, could you share some of the challenges that influence implementation of Authority's strategic plan?
11. What recommendations do you have for future efforts on implementation?
12. Is there anything more you would like to add?
Appendix II: Introduction Letter

Date……………………..

Dear Sirs,

RE: VOLUNTARY PARTICIPATION IN DATA COLLECTION

My name is Christine Mue a MBA student from the University of Nairobi, School of Business. I am specializing in Strategic Management and thus conducting a research entitled “Challenges of Strategy Implementation at Agriculture Fisheries & Food Authority”.

The aim of this letter is to request for your feedback and views on the various challenges experienced during strategy implementation by Agriculture Fisheries & Food Authority. The data collected is for research purposes only and the discussion should take about fifteen (or less) minutes of your time.

All responses received are anonymous and information collected will not be distributed to any other party.

Thank you for taking part in the research.

Yours Sincerely

Christine Mue