STRATEGY IMPLEMENTATION AT ECOBANK LIMITED IN KENYA

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DECLARATION

This research project is my original work and has not been presented for award of a degree or diploma in any university, college, institution or for any other purpose.

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D61/67389/2013

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

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DEDICATION

This work is dedicated to my parents for their devotion and drive to see to it that their children had education. They have taught me that even the largest task can be accomplished if it is done one step at a time. There is no doubt in my mind that without their support and counsel it would not have been possible to start this journey.

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This work would not have been possible without the kind support and help of many individuals and organizations. I would like to acknowledge and extend my heartfelt gratitude to all persons who have made completion of this project possible.

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I would like to acknowledge Ecobank (K) Limited for allowing me conduct research within the organization. Special thanks to all those who co-operated and enabled me conduct this research and for allowing themselves to be interviewed. Their contribution in making me aware of current issues on strategy implementation at the organization, proved to be very helpful when writing this report. In order to preserve anonymity they cannot be named. Without their help, this report could not have been completed.

Special thanks to my family and many friends who cheered me on from the beginning. Their good-natured forbearance with the process and for their pride in this accomplishment made all the difference. It was a team effort.

And now, unto Him that is able to do exceeding abundantly above all that we ask or think, according to the power that works in us, unto Him be glory and honour throughout all ages, world without end.

ABSTRACT

This research project examined strategy implementation at Ecobank Limited in Kenya. Its objective was to establish strategy implementation at Ecobank Limited in Kenya. In order to meet the objective, primary data was obtained through personal interviews with respondents who were responsible for implementing strategies in Ecobank (K) Limited. Secondary data was also obtained from various sources. The data collected was analyzed using content analysis approach to provide comprehensive insights and subsequent recommendations on the subject. The study established that not all staff, supervisors, team leaders and managers were involved in both strategy formulation and implementation processes at Ecobank (K) Limited. Similarly, the study observed inadequacy of information systems and processes to monitor strategy implementation at Ecobank (K) Limited as well as existence of structural bureaucracies between the Kenyan subsidiary and Ecobank Transnational Incorporated (ETI) Headquarters. The study concludes that organizations are paying less attention in monitoring of strategy implementation thus unable to effectively respond and adapt to the turbulent environment. The study recommended that Ecobank (K) Limited undertake periodic review and assessment of organizational capabilities and behavior needed to move from a given current state to desired state. The study also suggested refinement of feedback loop between ETI's headquarters and Kenyan subsidiary as well as enrichment of interface of staff at lower levels and top levels in regard to execution of various programmes to enhance comprehensiveness and coherence between the vision carriers and the actors. The researcher acknowledges limitations of time and challenges associated with booking appointments with some of the respondents due to their busy schedules. Methodologically, the approach, findings, inference and conclusion of this study were made based on information on Ecobank operations in Kenya. Consequently, the researcher had to 'sieve through' the data collected focusing only on that which relate to Ecobank operations in Kenya and overlooking all other viewpoints on strategy implementation that does not relate to the context. The study suggested further studies to be conducted in subsidiaries of other Multinational or regional commercial institutions operating in the country as well as cross sectional analysis on the subject in other sectors. This will promote sharing of best practices among organizations besides exploiting benefits associated with replicative research in diverse contexts.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Successful strategy implementation is vital for any organization, whether public or private. Without implementation, even the most superior strategy will falter. The notion of strategy implementation might look straight forward; strategy is formulated and then it is implemented (Otley, 2001). Implementing a strategy successfully can be perceived as being about allocation of required resources and aligning the organizational structure. The value of any strategy and its potential contributions include increasing productivity, reducing costs, growing profits, improving service/ product quality and increasing organizational long term competitiveness and survival.

Among foundational theories of strategic management is the resource based theory, the agency theory and the contingency theory. The resource-based theory hinges on the premise that the source of a firm's competitive advantage lies in their internal resources as opposed to their positioning in the external environment (Barney, 2001). This theory predicts that specific types of resources owned/controlled by firms have the impetus to generate competitive advantage and superior firm performance. Conversely, agency theory stresses the underlying important relationship between shareholders/owners and the agents or managers of organizations in ensuring the success of the organization (Pfeeffer, 1996). This theory builds on the human element as a source of the organization's competitiveness. The contingency theory suggests that there is no one or single best way or approach to manage organizations. It recommends that organizations should develop managerial strategy based on the situation and condition they are experiencing.

Today's business environment has become increasingly dynamic and complex due to globalization, consolidation, deregulation and diversification. This necessitates that firm innovates and successfully implement strategies to remain competitive. The banking industry has not been immune from these complexities thus demanding industry players implement innovative strategies to survive and remain competitive. This study focuses on strategy implementation practice at Ecobank (Kenya) Limited. The bank is a subsidiary of Ecobank Transnational Incorporated (ETI) which has its headquarters in Nigeria with branches in various countries in Africa. Implementing foreign policies by ETI in different countries poses a challenge as some might work in some countries while others may fail.

1.1.1 Strategy Implementation

The way strategy is implemented can have a significant impact on whether it will be successful or not (Thomson, 2007). Strategy implementation is vital to survival in a turbulent business environment. Organizations exist in complex, economic, political, technological, cultural and social environments. The environments could be more complex to some organizations than to others. The success of every organization is therefore determined by its response to the environment. To obtain and retain a competitive advantage, organizations have to consistently examine their environment both internal and external and respond accordingly by formulating appropriate strategies as well as ensuring their successful implementation (Ansoff, 1984).

Minztberg (1978) contends that there is a relationship between strategy formulation, strategy implementation, and organizational performance. He suggests the probable outcomes of the four possible combinations of these variables; Success, roulette, trouble and failure. Success is the most likely outcome when strategy is appropriate and implementation good. Roulette involves situation wherein a poor strategy is

implemented well. Trouble is characterized by situations wherein an appropriate strategy is poorly implemented. Failure involves situations wherein a poor strategy is poorly implemented. To diagnoses why a strategy failed requires the analysis of both formulation and implementation.

Porter (1996) argues that through strategic management firms are able to position and relate with the environment to ensure continued success and also secure themselves from changes brought about by the dynamic environment. They further argue that this can be done firstly, positioning of the firm through strategy and capability planning in its rightful competitiveness, and secondly, use of real time response through issue management and thirdly, systematic management of resistance during strategic implementation. Strategy implementation as a process therefore, embraces all of those actions necessary to put a strategy into practice. Organizations seem to have difficulties in implementing their strategies. Researchers have revealed a number of problems in strategy implementation for example weak management roles in implementation, lack of communication, lack of commitment to the strategy, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities, and uncontrollable environmental factors (Alexander, 1985).

1.1.2 Kenya's Banking Industry

The banking industry in Kenya comprises of Central bank of Kenya (CBK) as the regulatory authority supervising commercial banks, non-bank financial institutions and foreign exchange bureaus. According to CBK (2015), as at 31st December 2014, the banking sector comprised of the Central Bank of Kenya, as the regulatory authority, 44 banking institutions (43 commercial banks and 1 mortgage finance

company), 8 representative offices of foreign banks, 9 Microfinance Banks (MFBs), 2 Credit Reference Bureaus (CRBs), 13 Money Remittance Providers (MRPs) and 87 Foreign Exchange (forex) Bureaus. Out of the 44 banking institutions, 30 were locally owned banks comprised 3 with public shareholding and 27 privately owned while 14 were foreign owned. The 9 MFBs, 2 CRBs, 13 MRPs and 87 forex bureaus are all privately owned. Of the 14 foreign owned banking institutions, 10 are locally incorporated subsidiaries of foreign banks and 4 are branches of foreign incorporated banks. Ten commercial banks are listed on the Nairobi Securities Exchange.

Commercial banks and mortgage finance firms are the major players in the banking industry. They are licensed and regulated under banking Act, Cap 488 and Central Bank Act Cap 491 and foreign exchange Bureaus Guidelines. According to CBK (2015), outlook of Kenya's banking sector remains positive as regards the key pillars of stability, inclusiveness and integrity. During the year 2014, total net assets of the sector grew by 18.5 per cent from Ksh. 2.70 trillion in December 2013 to Ksh.3.2 trillion in December 2014, with the growth being supported by the increase in loans and advances. In the same period, customer deposits increased by 18.42 per cent from Ksh.1.93 trillion in December 2013 to Ksh.2.29 trillion in December 2014. The growth was attributed to increased deposit mobilization by banks as they expanded their outreach and opened new branches to tap new customers. Equally, the pre-tax profit for the sector during the year 2014, increased by 12.2 per cent from Ksh.125.8 billion in December 2013 to Ksh.141.1 billion in December 2014 while gross loans increased by 22.75 per cent from Ksh.1,532.3 billion in December 2013 to Ksh.1,881.0 billion in December 2014.

Apart from liberalization of Kenya's banking sector in 1995 along with lifting exchange controls, other recent developments in the Kenya's banking industry are; first the increase in minimum core capital from 250 million to Kshs 1 billion by end

of 2012, this will enable banks to effectively and competitively serve their market niches. Second, publications of credit reference bureau regulation in July 2008 which assists in marketing credit accessible to more people and enabling lenders and business reduce risk and fraud. Third, increase in investment in Information and Communication Technology (ICT), this influences the unit cost of banking services and diversity of product and services that a bank can offer to its customers. Fourth, growth in micro in micro finance and CBK has enforced legislative provisions that require the approval of bank charges (CBK, 2010).

1.1.3 Ecobank (Kenya) Limited

Ecobank Transnational Incorporated (ETI) was established as a bank holding company in 1985 under a private sector initiative spearheaded by the Federation of West African Chambers of Commerce and Industry. It commenced operations with its first subsidiary in Togo in March 1988. In the early 1980's banking industry in West Africa was dominated by foreign and state-owned banks. There were hardly any commercial banks in Africa owned and managed by the African private sector thus the main objective of founding ETI was fill this vacuum. Ecobank provides wholesale, retail, investment and transaction banking services and products to governments, financial institutions, multinationals, medium, small and micro businesses as well as individuals.

According to Ecobank (2015), by the end of year 2014, Ecobank was operating in 36 countries across the continent among them Angola, Benin, Burkina Faso, Burundi, Cape Verde, Cameroon, Central African Republic, Chad, Congo Brazzaville, Côte d'Ivoire, Equatorial Guinea, Ethiopia, Gabon, Ghana, Gambia, Guinea, Guinea Bissau, Kenya, Liberia, Malawi, Mali, Mozambique, Niger, Nigeria, Rwanda, Sao Tome & Principe, Senegal, Sierra Leone, South Africa, South Sudan, Tanzania, Togo,

Uganda, Zambia and Zimbabwe. The Group also has licensed operations in Paris and representative offices in Beijing, Dubai, Johannesburg, London and Luanda.

Ecobank entered the Kenyan market in 2008 when ETI acquired a 75% stake in Kenya's East African Building Society (EABS) Bank and subsequently changed the its name to Ecobank (Kenya) Limited. In its first year, Ecobank Kenya planned to double its branch network from EABS' 8 branches by the end of year 2010. The banks also sought to utilize its Accra based Ecobank International Technology & Shared Services Centre to provide web based, electronic banking services in the region. Ecobank Kenya Limited's objective was to be one of the top three banks in Kenya and also to list on the Nairobi Stock Exchange, enabling Kenyans to own a share of the bank.

1.2 Research Problem

The ability of an organization to stay competitive in today's turbulent and dynamic business environment is critical to achieving success. Managers in senior positions in organizations are recognizing that one of the key routes to improved business performance is better strategy implementation (Renaissance Solutions Ltd, 1996). Strategy implementation entails the transformation of strategy into administrative and operating decisions that are constantly undergoing monitoring and evaluation. It involves identification of key tasks to be performed, allocation of tasks to individuals, providing for coordination of separated tasks, design and installation of appropriate management systems and drawing up specific programmes for action.

Strategy implementation is one of the most difficult business challenges facing managers today (Pfeeffer, 1996). That notwithstanding, strategy implementation has received less research attention than strategy formulation. Numerous studies acknowledge that strategies frequently fail not because of inadequate strategy

formulation, but because of insufficient implementation. While formulating a consistent strategy is a difficult task for any management team, making that strategy work – implementing it throughout the organization – is even more difficult.

The need for emphasis to strategy implementation today can be ascribed to several factors, among them greater likelihood of failures in implementing strategies, higher complexity in the process of strategy implementation, strategy implementation being considered to be less glamorous than formulation, and practical difficulties in research involving middle level managers (Alexander, 1985). Mainstream strategic management studies in the banking sector have often down played significance of strategy implementation.

ETI's rapid transformation into a pan African bank is widely considered an inspirational story that has positioned the bank competitively both local and internationally. However, the story is different for its subsidiary in Kenya. Ecobank (Kenya) Limited seem to be facing numerous hurdles in penetrating the Kenyan market. Execution of strategy meant to enhance its competitiveness appears to be facing numerous challenges. The challenges emanates from both its internal and external environmental factors.

Previous strategy-related studies have concentrated on specific competitive strategies adopted by various institutions and challenges of strategy implementation. For example Wacucu (2004) researched on competitive strategies adopted by Commercial banks in Kenya, while Mecha (2007) carried out research on Strategy choice at the Kenya pipeline company using Ansoff's Strategies Matrix. Karimi (2007) carried a research on challenges of strategy implementation in Mathare 4A Slums Upgrading in Nairobi and found out that lack of effective coordination and distractions from competing activities were the main problems. He recommended further studies to be

carried on firms in other sectors on strategy implementation. Kung'u (2007) carried out a survey on strategy implementation challenges in the mainstream churches in Kenya and found out that major problems arose from the fact that the management style was not appropriate. He suggested further studies to be carried out in diverse sectors to explore on the prerequisites of successful strategy implementation.

In view of the foregoing, this study sought to establish strategy implementation at Ecobank Limited in Kenya. In addition, it explored the challenges encountered by Ecobank (Kenya) during strategy implementation. Consequently, the study sought to answer the question; How is strategy implemented at Ecobank Limited in Kenya?

1.3 Research Objectives

The objective of this study was to establish strategy implementation at Ecobank Limited in Kenya.

1.4 Value of the Study

This research study will assist financial institutions in formulating policies that support and match strategies in the ever changing and competitive environment. The findings will be particularly significant to Ecobank and other banking institutions in helping them understand the factors and issues affecting strategy implementation and how to overcome them. Similarly, the findings will also be of interest to regulatory bodies like Central Bank of Kenya in playing its role in regulating the financial sector.

Equally, the findings of this study will be of interest in enhancing practice and execution of strategy especially monitoring and evaluating implementation process. With better understanding of how strategy is implemented, Ecobank (Kenya) Limited can determine the actions required, who needs to do what and when to effectively achieve the desired results. They can identify their own strengths and weaknesses,

where they stand in comparison to their competitors, chart out path future progress and improvement.

Lastly, the study will provide a benchmark to which other researchers can base their studies on the banking sector locally. The study will therefore aim to contribute to the existing body of knowledge by filling the gaps in the availability of sustainable literature on strategy implementation in commercial banks operating in the country. It will be a source of reference material for the future researchers on related topics. The findings will also stimulate and provoke further studies and debates among the academicians and researchers working in the field of strategy implementation in commercial banks.

CHAPTER TWO

LITERATURE REVIEW

2.1   Introduction

This chapter summarizes information from other researchers who have carried out their research in the same field of study related and consistent with the objectives of this study. The specific areas covered here are theoretical foundation, concept of strategy, strategy implementation practices, strategy implementation models, success strategy implementation and challenges of strategic implementation.

2.2 Theoretical Foundation of the study

Raduan (2009) argues that strategic management is not an event but a process. He observes that the process entails specifying an organization's objectives, developing policies and plans to achieve its objectives as well as allocating resources to implement them. Hamel (2000) contends that strategic management is geared towards radical change and creating a new vision of the future. Today, it is clear to managers and entrepreneurs that business environment is dynamic and ever changing and their plans should follow a strategy that enables them to survive in the long run.

Strategic management theories mainly emanates from systems approach, contingency approach and information technology approach. The profit-maximizing and competition-based theory, the survival-based theory, the resource-based theory, the agency theory, the contingency theory and the human resource-based theory are the main theories observed in management literature. As noted earlier, this research concentrates on the agency theory, the resource based theory and the contingency theory. Insights in these areas will temper our knowledge of strategy implementation.

2.2.1 The Agency Theory

According to Jean, 2002), Agency theory is a management approach where one individual (the agent) acts on behalf of another (the principal). However, since the agent also has own interests, he ends up advancing both the principals' interests and his own interests in the organization. The principal–agent problem occurs when one person or entity (the **"agent"**) is able to make decisions on behalf of, or that impact, another person or entity: the "principal". A balance of interests should be merged in order to arrive at the corporate objectives of the organization through the agent.

Jean (2002) suggests that the agency theory of strategic management is crucial since the action chosen by a particular individual (the agent) affects not only one, but several other parties (the principals). According to this theory, the agents' role in strategic formulation and the overall strategic management process cannot be underestimated. The firm is often characterized as a nexus of both explicit and implicit contracts linking the management and its stakeholders, including workers, unions, customers, suppliers and the state among others. The theory holds that there should be proper synergy between the management and its stakeholders in order to work towards a common goal.

2.2.2 Resource-Based Theory

Resource-based theory suggests that resources possessed by a firm are the primary determinants of its performance (Hoffer and Schendel, 1978). This theory holds that a firm's resources may contribute to a sustainable competitive advantage of the firm. Barney (2001), argues that a firm's resources includes all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to and implement strategies that improve its efficiency and effectiveness. He concludes that a firm is a bundle of resources and capabilities.

This theory is conditioned on the fact that resources are not homogenous and are limited in mobility. A firm can translate its resources and capabilities into a strategic advantage if they are valuable, rare, and inimitable and the firm is organized to exploit these resources. Porter (1996) underscores on the significance a firm's ability to "match its resources and skills, to the external opportunities and risks created by its external environment" to achieve competitive advantage. This view has reignited interest on the role of a firm's resources as the foundation for firm strategy.

2.2.3 Contingency theory

The contingency theory also known as situational approach centres on the notion that there is no single best approach to manage organizations (Fiedler, 1964). In other words, organizations can not be managed by one-size-fit-all approach but should work out unique managerial strategies depending on the particular condition or situation they are facing. Proponents of this theory argue that actions are dependant (contingent) to the internal and external factors. The theory recommends that organizations should develop managerial strategy based on the situation and condition they are experiencing.

Fielder (1964) concludes that formal structure of an organization defines the roles of its members in a specific way and thereby directs their behavior to a certain degree. The performance of the organization depends on the degree to which these role definitions enable members to cope with the requirements resulting from the context of the organization. Learning from specific situations and using these lessons to influence future management of the same or similar situations is central to this theory. The ability to adapt to external pressures and changes is also an advantage.

2.3 Development of Strategic Management

Development of strategic management and the concept of strategy in particular has been dramatic over the years. Early developments and works include Chandler's (1962) "*Strategy and Structure*" and Ansoff's (1965) *"Corporate Strategy"*. Chandler (1962) sees strategy as the determination of the basic long term goals and objectives, adoption of courses of action and the allocation of resources necessary for carrying out goal. He observes that structure is the design of the organization through which the enterprise is administered. He sees structure as having two elements namely the lines of authority and communication between the different administration offices and officers, and the information and data that flow through these lines of communication and authority. He concludes structure follows strategy.

Ansoff (1965) explained that most strategic decisions have to be made within the practical framework of limited resources. For this reason, he argues that the objective of any business is to produce a resource-allocation pattern which will offer the best potential for meeting the firm's objectives. He noted that the identification of competitive advantage requires uncommon skills in anticipating trends to ensure really successful results. He suggests that because of the need for knowledge of the industry in which the organisation operates, the concentric form of diversification is likely to be more successful than conglomerate diversification.

Andrews (1980) primarily conceptualized corporate strategy as a unifying concept, centered on pattern. Perhaps his best known contribution to the strategy literature is his explicit recognition of the SWOT (Strength, Weakness Opportunity and Threats) framework and pattern of strategy analysis. He says that a good corporate leader behaves rather like a first lieutenant in a combat situation. Both the corporate officer and the military officer are expected to scan their respective environments, evaluate

their own resources in a fashion which would indicate strengths and weaknesses (internal scan) and threats and opportunities (environmental scan).

According to Porter (1996), strategy is about achieving competitive advantage by being different. He contends that it's about delivering a unique value addition to the customer, having a clear and executable view of how to position yourself uniquely in your industry. Strategy is no longer about planning or 'visioning' only, it is about using careful analysis to understand and influence a company's position in the market place by making the plan work. Despites much debate on substance, there is agreement that strategy is concerned with the match between a company's capabilities and its external environment.

2.4 Strategy Implementation Practices

Strategy implementation is an integral component of the strategic management process. It 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). Greenley (1986) contends that strategy implementation requires a transition from 'planning' to 'doing", requiring a change from following a sequence of planning stages to executing a range of activities. This signals the need for paradigm and balancing strategic planning with implementation both in practice and research.

In the past, numerous researchers in strategic management bestowed great significance to the strategic formulation process and considered strategic implementation as a mere by-product or invariable consequence of planning (Thompson & Strickland 2003). According to Alexander (1985) overwhelming majority of the literature on strategy has been on the formulation side of the strategy and only lip service has been given to the other side of the coin, namely strategy

implementation. Studies on strategy implementation are few and considered less "glamorous" than those on strategy formulation (Atkinson, 2006). On the other hand, problems with implementation continue unabated. Yet, the nature of implementation and the reasons for its success or failure are poorly understood (Noble, 1999).

However, recent research indicates that strategy implementation, rather than strategy formulation alone, is a key requirement for superior business performance (Holman 1999; Kaplan & Norton 2004). There is growing recognition that the most important problems in the field of strategic management are not related to strategy formulation, but rather to strategy implementation. Alexander (1985) attributes the high rate of failure of organizational initiatives in a dynamic business environment to poor implementation of new strategies. Recognition has been established both within the academic literature and in the business media that the implementation of a strategy is a key factor in determining business performance (Walker and Ruekert, 1987).

Owing to the fact that management practice is sensitive to the context in which it is practiced, it is predicted that major themes exemplified by theories discussed above will manifest in one way or the other in the context of this study. Successful strategy implementation is paramount for organizational long term survival and competiveness. Since strategy implementation is both a multifaceted and complex process, it is only by taking a broad view that a wide span of potentially valuable insights is generated.

2.5 Strategy Implementation Models

Various frameworks for supporting strategy implementation by linking strategy to operations and addressing the many problems associated with strategy implementation have been put forward by scholars. Taxonomy, the classifying of phenomena and the explanation of the classification used, facilitates the development

of our knowledge (Galbraith, 1983). Majority of extant taxonomy models in strategy implementation tend to be normative in nature. They are developed from organizational observation, and become context specific and frequently lack any broader theoretical grounding. Bourgeous and Brodwin's (1984) model is comprehensive, based on specific theoretical assumptions and has been used by authors such as Parsa (1999), to refute the traditional approach to strategy implementation as simply an adjunct to the strategy formulation phase of the strategy process.

The structure of a firm influences the flow of information and the context and nature of interpersonal interaction within it. Structure also channels collaboration, prescribes means of communication and co-ordination as well as allocating power and responsibility. Downsizing alters roles of employees dramatically as structure is re-engineered (Balogun, 2003). These firms are characterized by decentralized decision-making, small senior executive teams and an emphasis on horizontal rather than vertical communication (Webster, 1992). With firms evolving in terms of structure it follows that the style of strategy implementation will differ depending on the style of organization and management that exist in the firm.

Alexander (1985) thinks obtaining employee commitment and involvement can promote successful strategy implementation (on the basis of telephone interviews with top company executives). Involvement of all employees should be mainstreamed and take place in relation to day to day service delivery and improvement. Involvement in relation to service changes should take place at as early as stage as possible, information for staff should be comprehensive and timely and there should be clarity about who needs to be involved and how they can become involved. The top leadership should actively engage with all staff, including those who are seconded, in

joint teams or independent contractors. Leaders need to be clear about these from the outset and manage expectations about what is possible within constraints. Leaders should get feedback on results of involvement and show whether involvement has made a difference and therefore been valued and worthwhile (Senge, 1990).

2.5.1 Cultural Model

The cultural model emphasizes lower level employee participation in both strategy formulation and implementation thus leading to disappearance of the separation of "thinkers" and "doers". It seeks to implement strategy through infusion of corporate culture throughout the firm. The senior management is an initiator, a visionary, and a communicator of the forward thinking process, thus the strategy of an organization is stated in terms of broad guidelines and long-term direction (Homburg et al., 2000).

In this model, the senior management guides the organization by communicating the vision for the firm while then allowing lower level employees to participate in the strategy implementation. A "clan-like" organization is expected to prevail, where a powerful culture results in employees aligning their individual goals and behaviors with those of the firm (Ouchi, 1980). However, a high level of organizational slack is needed to instill and maintain a cultural model. This model has several limitations: it assumes well-informed and intelligent participants, firms with this model tend to drift and lose focus, cost of change in culture often comes at a high price, increased homogeneity can lead to a loss of diversity, and creativity consequently (Parsa, 1999).

2.5.2 Change Model

This hierarchical model emphasizes how organizational structure, incentive compensation, and control systems can be used to facilitate the implementation of strategy. Here the senior marketing executive team acts as an architect and uses behavioral science techniques to manage the firm to meet the needs of the strategy.

The change model can be identified through the changing of structure and staff to convey the firm's new priorities; alternating planning, performance measurement, incentive compensation systems; and using of cultural adaptation techniques to introduce system changes (De Wit and Meyer, 2004)

According to this model, there is a greater concordance between the "thinkers" (those employees exhibiting cerebral tendencies, preferring intellectual judgment and reasoning to solve organizational problems) and "doers" (those employees manifesting the practical ability to make things happen and exhibit entrepreneurial flairs). The strategy content is considered as an evolving process, rather than as a set of predetermined plans. The goals of the firm remain predominantly economic but are adjusted to reflect strengths and weaknesses of the firm.

2.5.3 Collaborative Model

This alternative model focuses on group decision-making at a senior management level and involves top management role in the strategy formulation process. In this way it expects a firm to have formalized strategic planning system. The role of the senior management is to employ group dynamics and "brainstorming" approaches to involve managers in both strategy dynamics formulation and implementation phases. As a result, the behavioral nature of the firm dominates.

The collaborative model overcomes both the limitations of information inaccuracy and cognitive limits of the change model (Parsa, 1999), as highlighted previously. In this mode, organizations have both a strong culture and deep-rooted traditions. Successful implementation requires the cultivation of strong cultural values to meet the changing organizational needs. This model requires greater emphasis on human resource practices and as a result, the chosen strategy is a best possible compromise among the conflicting views of the differing groups (Bourgeos and Brodwin, 1984).

2.5.4 McKinsey 7-S Model

The basic premise of this model is that there are seven internal aspects of an organization that need to be aligned if it is to be successful. The Seven-Ss is a framework for analyzing organizations and their effectiveness (Waterman et al, 1980). It looks at the seven key elements that make the organizations successful, or not: strategy; structure; systems; style; skills; staff; and shared values. They farther categorized the elements into hard elements (Strategy, Structure and Systems) and soft elements (Shared Values, Skills, Style and Staff).

Waterman (1980) and his colleagues (consultants at McKinsey & Company) developed the 7S model in the late 1970s to help managers address the difficulties of organizational change. The model shows organizational immune systems and the interconnected variables involved makes change complex. They therefore argue that an effective change effort must address many of these issues simultaneously. The 7-S model is a tool for managerial analysis and action that provides a structure with which to consider a company as a whole, so that the organization's problems may be diagnosed and a strategy may be developed and implemented. There is no starting point or implied hierarchy - different factors may drive the organization.

2.6 Successful Strategy Implementation

Successful strategy implementation requires sound mechanisms for directing activity and behavior (Otley, 2001). This is especially so in creating effective communication systems as well as appropriate strategic and management controls. The balanced scorecard's four perspectives as manifested in Kaplan and Norton's (2004) strategy maps provide a level of granularity that improves clarity and focus. It creates a clear direction and, through development and publishing of the strategy map, facilitates understanding and coordination across the organization.

The importance of enabling sound "two-way" communications within organizations is seen as fundamental to the effective implementation of strategy. In particular its role in facilitating useful feedback and "bottom-up" messages cannot be overemphasized (Otley, 2001). To substantially meet necessary conditions, the balanced scorecard appears to offer a range of additional attributes that may also support successful implementation. It has been shown that the key to enabling such communication are an organization's "middle manager" who have been shown to play a pivotal role and are viewed as strategic "actors" playing an important role in strategic transformation. The scorecard approach encourages the establishment of coordinated scorecards at every level of an organization which, when implemented properly, engages middle managers.

2.7 Challenges of Strategy Implementation

Many scholars have researched on the field of strategy implementation and the challenges faced in the implementation. According to Alexander (1985), among the most frequently occurring strategy implementation problems includes underestimating the time needed for implementation and major problems surfacing that had not been anticipated. In addition, uncontrollable factors in the external environment also have an adverse impact. He argues that senior executives are over optimistic in the planning phase and that effectiveness of coordination of activities and distractions from competing activities inhibits implementation.

Galpin (1998) lists a number of difficulties encountered by organizations while implementing strategy. They include; weak management roles in implementation, lack of communication, lack of commitment to the strategy, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing

activities, and uncontrollable environmental factors. Other issues influencing strategy implementation is the perspective one has on strategy (Mintzberg, 1978).
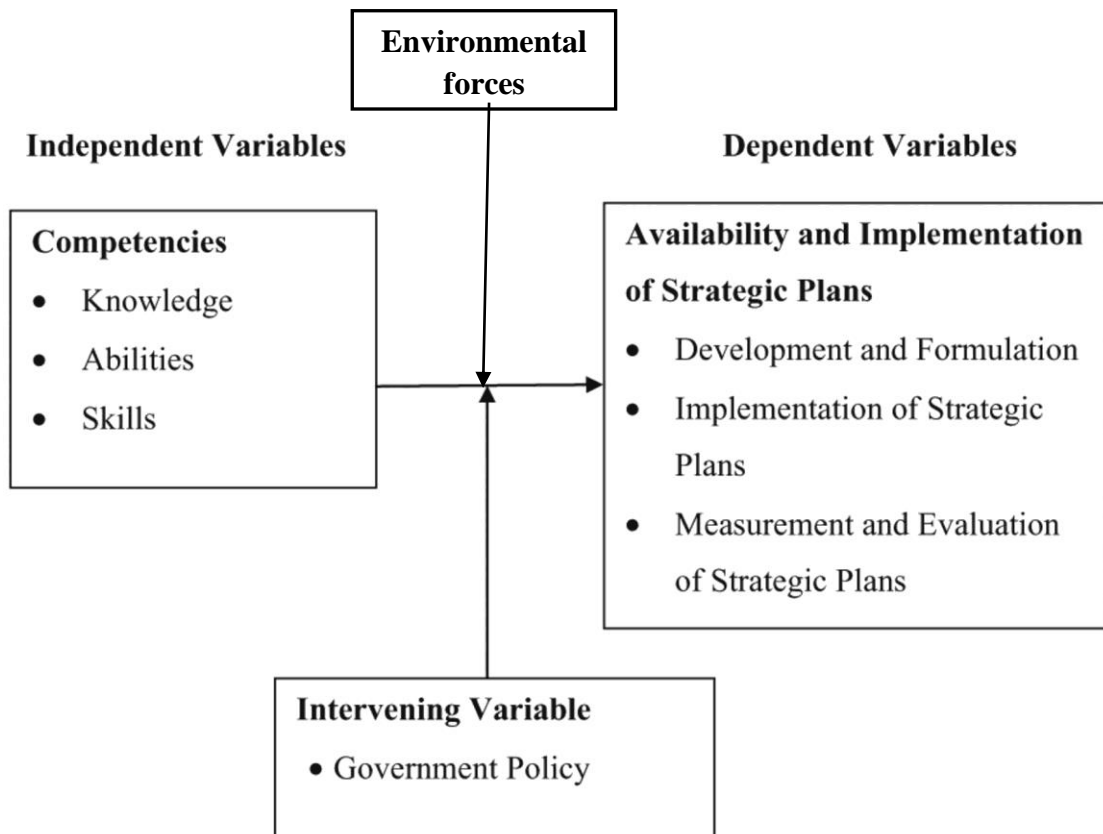
Nutt (1995) points out that attitude of employees towards their employers, affects their performance thus requiring organizations to change their personnel management techniques accordingly to motivate their employees and instill them with commitment. On the other hand, Wessel (1993) states that most of the individual barriers to strategy implementation fit into one of the following interrelated categories: too many and conflicting priorities, the top team does not function well, a top down management style, inter-functional conflicts, poor vertical communication, and inadequate management development

2.8 Conceptual framework

Although strategy formulation is a difficult task for any organization, making it work – implementing it throughout the organization – is even more difficult. A myriad of factors can potentially affect the process by which strategic plans are turned into organizational action. 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 implementation process.

Strategy implementation is a key challenge for today's organizations. Even the best-formulated strategies may fail to produce superior performance for the firm if they are not successfully implemented. There are many (soft, hard and mixed) factors that influence the success of strategy implementation, ranging from the people who communicate or implement the strategy to the systems or mechanisms in place for co-ordination and control.

Strategy Implementation Process

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                    ┌──────────────┐
                    │ Environmental│
                    │    forces    │
                    └──────┬───────┘
Independent Variables      │          Dependent Variables
                           │
┌──────────────────┐       │      ┌────────────────────────────────┐
│ Competencies     │       ▼      │ Availability and Implementation│
│                  │       ────►  │ of Strategic Plans             │
│  ● Knowledge     │              │  ● Development and Formulation  │
│                  │              │  ● Implementation of Strategic │
│  ● Abilities     │              │    Plans                       │
│                  │              │  ● Measurement and Evaluation  │
│  ● Skills        │              │    of Strategic Plans          │
└──────────────────┘              └────────────────────────────────┘
                          ▲
              ┌───────────┴──────────┐
              │ Intervening Variable │
              │  ● Government Policy  │
              └──────────────────────┘
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2.9 Chapter summary

Strategy implementation, is a field of interest for both businesses and researchers. The topic has been approached from different angles and in different ways. This study covered major aspects of strategy implementation that generally apply to all organizations, namely the link between strategy formulation and implementation, theories and models of strategy implementation. In addition, the chapter has explored on the factors affecting successful implementation as well as challenges of strategy implementation in organizations. Similarly, the literature review highlighted on the roles of corporate communication (internal and external), leadership, organizational structure, and control mechanisms.

Nonetheless, strategy implementation is a neglected and overlooked area in strategic management literature. Published research reveals emphasis on strategy formulation. Strategy formulation and implementation are complementary and logically

distinguishable areas of strategic management and part of the overall process of planning executing and adapting. More Research on implementation has been done in organizational theory and development than in strategic management. Implementation research needs to be interdisciplinary. The importance of implementation can be gauged from the study of Joyce (2000) which showed that firms with unusually high performance and firms which turned around their performance relied upon key activities of strategic direction, building a fast and effective organisation, establishing an adaptive culture and executing against focus of customer needs and cost.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This study sought to establish strategy implementation practices at Ecobank (Kenya) Limited. This chapter sets out various stages and phases that were followed in completing the study. The chapter comprises of the following sub-topics; research design, data collection and data analysis.

3.2 Research Design

This was a case study at Ecobank (K) Limited. As such, it involved an in-depth and comprehensive investigation on strategy implementation practices at Ecobank (K) Limited. Case study research method is an empirical inquiry that investigates a contemporary phenomenon within its real-life context (Yin, 1984). This is an ideal methodology when a holistic, in-depth investigation is needed.

Case study approach is also appropriate strategy for answering research questions which ask 'how and 'why' and which do not require control over the events (Kathari, 2000). By using this approach, reasons why certain decisions were made, how they were implemented and results can be identified. It is suited to deal with operational links that need to be traced over time, rather than mere frequencies or incidences. The questions were open and unstructured to allow greater depth and breadth in the responses.

3.3 Data Collection

The research utilized both secondary and primary data. Primary data was collected using five pre-planned, unstructured questionnaires. The researcher used personal interviewing as a mode of communication to allow for flexibility of data collection.

The study interviewed 5 members of staff of EcoBank (Kenya) limited. Respondents were drawn from staff in top level management, middle level managers and lower level cadre staff. This is because the kind of information sought required much insight into realties of strategic planning and these are the right respondents to provide the information.

Secondary data was collected through a comprehensive desk review of strategy implementation and strategy execution related documents on Ecobank (Kenya) Limited. These included publications, journals and periodicals of Ecobank (Kenya) Limited. This information was used to supplement the information gathered from the in-depth interviews and therefore helped put the study in the right context. This made it easier to get adequate and accurate information necessary for research.

3.4 Data Analysis

Data analysis is the process of bringing order, structure and meaning to the mass of collected data. Before analyzing the responses, they were edited for completeness and consistency. To undertake data analysis, the study used content analysis to analyze the respondents' views about the strategy implementation at Ecobank (Kenya) Limited.

The researcher employed perspectives of Marshall and Rossman (1970). The perspective sees qualitative data analysis "as a search for general statements among categories of data". Content analysis enables researchers to sift through large volumes of data with relative ease in a systematic fashion. The advantage of using content analysis is that it enables grouping of the collected data into various groups for easier analysis which is presented in continuous prose. Further, it enables one to link causes and effect as well as how and why they occur.

3.5 Chapter summary

In this chapter, the philosophy, the underpinning practices and procedures used to conduct this study have been discussed. A step by step process of how the researcher conducted the study has been presented. Additionally, the reason, rigor and the appropriateness of the methodology used has been provided in relation to the scholarly community in which the research belongs. Lastly, a concise discussion of intended strategy for analyzing qualitative data has also been presented.

In conclusion, just like other qualitative research studies, this study sought to create understanding from data as the analysis proceeds. This means that the research design of a qualitative study differs from that of a study that starts with an understanding to be tested, where often the hypothesis literally dictates the form, quantity, and scope of required data. Such research designs preempts other ways of looking at the research question. Qualitative research is usually not preemptive. Hence qualitative research design is both challenging and essential. In the preceding chapter, analysis of data collected has been presented.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents data analysis, results and discussion of the research findings. The study sought to establish strategy implementation practices at Ecobank (K) Limited. To respond to this, in-depth interviews were done with 5 respondents drawn from senior, middle as well as low level management staff at Ecobank (K) Limited. Secondary data was collected through a comprehensive desk review of the strategy implementation and strategy execution related documents on Ecobank (K) Limited. The researcher used content analysis to analyze the data.

4.2 Strategy implementation at Ecobank Limited in Kenya

The elaborate discussions on strategy implementation at Ecobank (K) Limited revealed critical issues regarding strategy implementation practices at the Bank. To enhance better understanding of the context, the researcher used content analysis to filter and organize responses into key thematic areas. Responses from the interview discussions were fused with secondary data from strategy execution related documents on Ecobank (Kenya) Limited. These included publications, journals and periodicals of Ecobank (Kenya) Limited.

4.2.1 Strategy Implementation Process

Respondents viewed strategy implementation as a continuous process involving translation of a chosen strategy into organizational action so as to achieve strategic goals and objectives. They added that strategy implementation entails the manner in which an organization develops, utilizes, and amalgamates organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and a better performance. Respondents hinted that in the banking industry where

customers have varied choices to choose from, coupled with competition in the industry, speed of execution was paramount.

The respondents saw strategy implementation as process of assigning individuals to tasks and timelines that will help the organization reach its goals and objectives. Similarly, they observed that assigning of tasks is followed by allocation of resources (facilitation) and monitoring to ensure that the desired intentions are achieved. They reported that strategy implementation occurs after environmental scans, SWOT (Strength Weaknesses, Opportunities and Threats) analysis, and identifying strategic issues and goals. They linked successful strategy implementation to productivity, growing profits, improving service or product quality and increasing long term competitiveness and survival.

4.2.2 Stakeholder participation

The study established that not all staff, supervisors, team leaders, managers and directors were involved in both strategy formulation and implementation processes at Ecobank (K) Limited. Staff involvement was limited to frontline personnel in senior management who are perceived to be in the driving seat of change. The study established that only top level management staff were involved in decision making that affect achievement of strategic goals and development of a culture in the organization. However, supervisors, team leaders and managers encourage other staffs to channel innovative ideas front line staff. Consequently, majority of respondents perceive top management at Ecobank (K) Limited to be playing a leading role in ensuring successful strategy implementation within the organization.

Respondents revealed that the top management at Ecobank (K) Limited were not free to make and implement key strategic decisions and choices before they get endorsement from ETI's headquarters. Consequently, lack of autonomy and a

dynamic top management leadership were cited as one of the greatest setbacks to successful strategy implementation at the Ecobank (K) Limited. Respondents reported that occasionally the local subsidiary could not agree on how some plans could be implemented locally. Majority of the respondents linked dwindling belief and commitment to the vision of the bank by the top management to the "Nairobi-ETI headquarters" bureaucracies.

4.2.3 Strategy Communication, Monitoring and Evaluation of Implementation process

Then study established that although the bank has a documented a strategic plan, there was no clear channels of sharing it within the organization. The bank's strategic plan was derived from ETI's headquarters. The strategic plan emphasis on ETI's "One Bank" philosophy with common branding, standards, policies and processes across its network. Respondents disclosed that some of plans in the ETI's Strategic Plan were hard to implement locally due to incompatibility with indigenous culture and structures. Equally, it was found that the bank does not frequently evaluate progress and performance of strategy implementation initiatives nor initiate corrective adjustments to the strategy implementation process. Respondents revealed that Ecobank (K) Limited does not documents operationalization tools necessary for successful strategy implementation such as annual operational plans, functional or parts strategies and policies.

The study found out that there were no clear mechanisms or initiatives at Ecobank (K) Limited to control and evaluate strategy implementation process. This consequently poses a number of challenges to strategy implementation efforts. It was noted that it was hard to measure the level of success or degree of implementation of some key parameters while some strategy activities had no set fixed performance benchmarks.

This also made analyzing variance between the standards versus the actual performance. Consequently it is difficult to take corrective action in good time as well as carrying out detailed analysis of the factors responsible for such performance.

4.2.4 Strategy implementation supportive services

When asked on the impact of human resource development on effective strategy implementation at the bank, the respondents said that human resource development was key towards aligning the people with the strategy. Among other vital things cited that human resource does in supporting strategy were; assessing staffing needs and costs, selection the right quantity and quality of employees to carry out execution, employee training, motivating employees (developing performance incentives), work-life balance issues and selecting appropriate leadership styles.

Respondents reported that the bank had invested heavily in information and control systems for efficient operations, on-line data systems, communications (email, internet, company intranet) and e-commerce systems. The study found out that plans were underway to align strategy implementation with both monetary rewards and non-monetary rewards and reward employee for results not activities. The bank's leadership and executive are constantly making efforts to influence the performance of the staff. Other factors geared at creating a favorable climate for strategy implementation at Ecobank (K) Limited is continuous focus on its niche and target market thus differentiating itself from the peers in the industry.

4.2.5 Strategy implementation models

The study could not identify a particular style or model of strategy implementation at the Ecobank (K) Limited. Study findings showed that the bank seem to employ a hybrid kind of models. However, in depth interviews revealed inadequacy application of cultural model which emphasizes on lower level employee participation in both

strategy formulation and implementation. Consequently, this led to occurrence of separation barrier between the "thinkers" and "doers". Lower level employee participation in both strategy formulation and implementation at Ecobank (K) Limited had been neglected.

The study also established that the bank has not fully aligned organizational structure, incentive compensation, and control systems to facilitate strategy implementation. However, management intends to commence initiatives such as linking strategy implementation with compensation and reward. Once operationalized, the organization will reward participation through incentives and appreciation. Other proposals include using education and communication approach in situations where there is a lack of information or inaccurate information and analysis. The staff will also be facilitated and supported in the implementation initiatives and activities.

4.2.6 Challenges of strategy implementation process

Respondents revealed a number of problems/challenges encountered by Ecobank (K) Limited during strategy implementation that are related to organizational hurdles. The bank seem challenged while aligning its local internal processes with ETI's strategic goals and objectives. The study found out that sometimes there was mismatch between the strategy and the local cultural and structural contexts thus complicating strategy execution efforts throughout the organization. Equally, linking strategic objectives with the day-to-day objectives at different organizational levels and locations are a challenging task at the bank.

A common problem reported by the respondents in strategic implementation is lack of accountability and ownership of tasks in the process. Respondents revealed that this was further complicated by challenges of getting everybody (staff) on board, to internalize the vision and the mission of the organization. Other forces noted to cause

distraction in the smooth implementation was resistance to change by some employees and misunderstanding of the activities required to be done. The study found out that Ecobank (K) Limited often faced the challenge of strategy implementation time being underestimated. When the process of execution time was underestimated, the strategy failed to be dynamic and adaptive, further complicated by effects of unanticipated events. Consequently, this challenges the overall effectiveness of the strategy.

Other internal problems encountered by the Ecobank (K) Limited during strategy implementation process includes structural bureaucracies. This mostly manifested in certain activities that needed approvals of more than one office were found to down play the timeliness of execution of some activities. Respondents reported that there were some competing activities within the bank that cause distractions inhibiting smooth strategy implementation. Rivalry between some departments and organizational power-politics within some line managers was cited as a force that slowed the implementation whenever it arose.

The in-depth interviews revealed that some of the bank's stakeholders could not fully appreciate the strategy of the bank and its implementation. For instance, some customers failed to understand the "what and the why" of some products and this lead to resistance in the uptake of some key strategic products and services. On the other hand, some of the bank's employees did not fully understand the direction of the bank and thus getting everybody (staff) on board remains a challenge at the organization. Consequently, translating the bank's strategy to into sales and satisfied customers remains a challenge. However, it was reported that the bank was making efforts to help employees gain the knowledge, skills and abilities involved in implementing the strategy through hiring process and training.

Respondents reported that poor communication, poor coordination, diminished feelings of ownership and commitment by employees obstruct the efficiency of the organization or a specific department. For instance, vague email messages that require clarification, documents that need rewriting due to errors, and un-informed presentations and speeches could misinform or create unnecessary confusion that impeded on smooth implementation. A highly communicative and collaborative work environment promotes employee productivity, creativity and inspiration. If communication is poor, employees lack enthusiasm in doing their assignments and will question the value of such products. Employees will also be demoralized and likely to withdraw their commitment.

Among the challenges cited from external environment were forces emanating from changes in operating environmental that present a threat to effective implementation of the strategy. These forces were mainly related with national and global macro environment, stiff competition compounded un-anticipated new substitute or competing products. In addition, the study identified effects of globalization, national regulatory framework that has opened the market to other international banks as well as money transfer firms, deposit taking microfinance institutions and informal savings groups as some of challenges the Bank has to contend with. Social aspects, political-legal forces and technological factors were also identified as influencing the strategy implementation process Ecobank (K) Limited.

4.2.7 Possible remedies to strategy implementation challenges

When asked on possible solutions to the challenges of strategy implementation at the Bank, respondents suggested that the Kenyan subsidiary need to be given some degree of autonomy to enable it formulate and implement applicable strategies locally. Similarly, respondents recommended frequent and periodic meetings with

departments (or individual employees) to discuss what needs to get done and explain how those responsibilities fit in with the larger strategic picture. They further advocated for institutionalization of strategy implementation practices in the organization's structure and operations.

Equally, respondents suggested need to enhance a highly communicative and collaborative work environment to promote employee productivity, creativity and inspiration. To enable the staff to translate the bank's strategy to into action and help the staff appreciate the implementation, the respondents recommended the bank constantly invest in efforts geared towards helping the employees gain the knowledge, skills and abilities involved in implementing the strategy required through the hiring process and training. Moreover, respondents felt that the bank needs to do more in providing top-down guidance about how certain things need to be done besides aligning actions and behavior of employees with strategy execution.

4.3 Discussion of research findings

An in-depth analysis of data collected by the study on strategy implementation at Ecobank (K) Limited elicited insightful discussion in the discipline of strategic management and strategy implementation in particular. The study findings provoked thoughts cutting across the existing body of knowledge on strategy implementation as well as pointing to future studies on the subject. In this subsection, the researcher attempted to reveal meaning of the findings and show how they fit into the existing body of knowledge. In addition, the researcher tried to link consistency of the research findings with current theories, models as well as implication on future study on the subject.

4.3.1 Comparison of the research findings with existing theories

The findings of this study established that strategy implementation is key to the overall organization's performance and success. Successful strategy implementation was found to be a central thrust of an organization's long-term competitive position and financial performance. The study found that Ecobank (K) Limited was ever on an entrepreneurship mission (searching for opportunities) to do new things or to do existing things in new or better ways. This was to enable it position and relate itself to the environment, as well as ensure its continued success. These findings supports the arguments of Porter (1996) who contends that strategy is about achieving competitive advantage through being different and that it's about delivering a unique value added to the customer, having a clear and executable view of how to position yourself uniquely in your industry.

The study established that as a prerequisite for long-term survival, organizations are on a continuous mission to align themselves with industry forces and consistently executing innovative initiatives competitive positioning in the market. This concurs with the works of Ansoff and Mcdonnel (1990) who argue that it is through strategic management that a firm will be able to position, relate itself to the environment to ensure its continued success and also secure itself from changes brought about by the dynamic environment. Organizations need to position themselves through strategy and capability planning, use real time response mechanisms to emerging issues, and systematic management of resistance during strategic implementation.

Although organizations are making efforts in formulation and documenting strategic plans towards achieving success, they don't seem entrenched the necessary strategy implementation practices in their systems and processes. Consequently, organizations are not deriving the intended results from the strategic plans. This view is consistent

with the findings of Greenley (1986) who contends that strategy implementation starts with planning and but then requires a transition from 'planning' to 'doing", requiring entrenching of the strategy into the organization as a whole, change from following a sequence of planning stages to executing a range of activities. More importantly, organizations needs to monitor and document operationalization tools necessary for successful strategy implementation such as annual operational plans, functional or parts strategies and policies to enable the organization frequently evaluate the performance and initiate corrective adjustments to the strategy implementation process is paramount to organizations.

The best-formulated strategies may fail to produce superior performance for the firm if they are not successfully implemented, as Noble (1999) notes. The way strategy is implemented can have a significant impact on whether it will be successful or not (Thompson, 2007). As the study found, it is important for organizations to undertake periodic review and assessment of organizational capabilities and behavior needed to move from current state to desired state. There is need for wide consultation within the organization during the development as well in the implementation of strategy. It is also crucial that all managers and staff identifies themselves with the strategy and its implementation process. Without consistency, dedication and focus to strategy implementation, even the most superior strategy will fail and not deliver the desired results.

Strategy implementation within an organization is not an event but rather an interminable process. It is a dynamic procedure that needs to be monitored by management and altered to meet implementation goals. The study found that there was a strategy-context mismatch in regard to organizational culture, structure, systems and processes. Galbraith (1983) suggests that several major internal aspects of the organization may need to be synchronized to put a chosen strategy into action. Major

factors are technology, human resources, reward systems, decision process and structure. This factors tend to be interconnected, so a change in one may necessitate change in one or more others.

The study found that organizations are ill prepared to confront forces in the environment. Organizations seem to be pushing for deliberate (planned) strategies even when circumstances are not appropriate. Mintzberg (1978) suggests that the traditional way of thinking about strategy implementation focuses only on deliberate strategies. He argues that sometimes strategy implementation actually precedes strategy formulation. He calls strategies that unfold in this way emergent strategies. Implementation of emergent strategies involves the allocation of resources even though an organization has not explicitly chosen its strategies. He concludes that organizations need to use both deliberate and emergent strategies. Whether deliberate or emergent, a strategy has little effect on an organization's performance until it is implemented.

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. However, the study established inadequacy of information systems used to monitor strategy implementation in organizations and consequently this poses a number of challenges to strategy implementation efforts. It is hard to measure the level of success or degree of implementation of some key parameters without such tools. The study linked strategy implementation to organizations' productivity, growing profits, improving service or product quality and increasing its long term competitiveness and survival.

The study argues that human resource development is key towards aligning the people with the strategy. This is achieved through assessing staffing needs and costs,

selection the right quantity and quality of employees, employee training, motivating employees (developing performance incentives), work-life balance issues and selecting appropriate leadership styles. This view is in agreement with Galbraith and Schendel (1983) work, who contend that effectiveness of strategy implementation is, at least in part, affected by the quality of people involved in the process. Here, quality refers to skills, attitudes, capabilities, experiences and other characteristics of people required by a specific task or position. Reward systems rewards and incentives contribute to strategy implementation by shaping individual and group behavior. Organizations need to design incentive plans that are consistent with an organization's objectives and structures. Such incentives need to be linked to implementation and participation of in the execution process.

Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation. In fact, communication is pervasive in every aspect of strategy implementation, as it relates in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an effect on the process of implementation. Communication barriers are reported more frequently than any other type of barriers, such as organizational structure barriers, learning barriers, personnel management barriers, or cultural barriers. The findings of Nutt (1995) show that effective communication is a key requirement for effective strategy implementation. This study view frequent communication up and down in organization as key to enhances strategic consensus through the fostering of shared attitudes and values. Galpin (1998) found that the alignment between the corporate communication function and the strategic implementation process was particularly visible in those companies that were going through fundamental strategic change.

This study suggests that managers need to benefit from a logical model to guide execution decisions and actions. Without guidelines, execution becomes a labyrinth. Without guidance, individuals do the things they think are important, often resulting in uncoordinated, divergent, even conflicting decisions and actions. By leveraging on the balanced scorecard approach for example, organizations can begin to integrate the amalgam of strategic and tactical management processes that typically operate in, at best, a loosely coordinated manner. A balanced scorecard for measuring company performance requires both financial objectives and strategic objectives. 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. Noble (1999) argues that having a model or roadmap positively affects execution success; not having one leads to execution failure and frustration.

Since strategic decisions are formulated by senior-level managers of the firm but mostly implemented by lower-level management and non-management employees, there is bound to be resistance and misunderstanding resulting from cross-functional-level perceptions. The study established that varied groups in an organization may sabotage strategy implementation by deliberate actions or inactions, if implementing the strategy may reduce their power and influence. Perceptions may include subversive behaviors such as verbal arguments, objecting memos, coalition formation, the deliberate creation of barriers to implementation, and even sabotage. Possible solutions to the challenges of strategy implementation can be overcome through strategic leadership's political ability to engage all employees and groups to create a collaborative work environment and constantly invest in efforts geared towards to win all employees to gain the knowledge, commitment, skills and abilities involved in implementing the strategy. Nutt (1986) also suggests that managerial tactics and

leadership style can play a crucial role in overcoming "obstructionism" that is prevalent (to some degree) in many implementation efforts.

This study suggests that strategic implementation processes require the work and attention of all employees and managers at all levels within a business. Because implementation process has the potential to impact a wide range of duties and responsibilities, employees need to have a thorough understanding of their responsibilities during the process and afterward. Alexander (1985) thinks obtaining employee commitment and involvement can promote successful strategy implementation (on the basis of telephone interviews with top company executives). The top management in organizations believes that one way to accomplish successful implementation is to involve employees and managers right from the start in the strategy formulation process. Involvement and commitment should also be developed and maintained throughout the implementation process. If middle and lower level managers and key subordinates are permitted to be involved with the detailed implementation planning, their commitment will be likely to increase.

Strategy implementation is a dynamic procedure that needs to be monitored by management and altered to meet implementation goals. According to the balanced scorecard's four perspectives as manifested in Kaplan and Norton's (2004), strategy maps provide a level of granularity that improves clarity and focus. Thereby creating clear direction and, potentially, through the development and publishing of the strategy map, facilitate understanding and coordination across the organization. Organizations needs to put 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.

4.3.2 Comparison of the research findings with other studies

The findings of this study resonates with several studies in the field of strategy implementation. The study concurs with the findings of Wetangula (2010) who found that strategy implementation faces a lot of hurdles and challenges. There are many (soft, hard and mixed) factors that influence the success of strategy implementation, ranging from the people who communicate or implement the strategy to the systems or mechanisms in place for co-ordination and control. Among the challenges established were forces emanating from the operating environmental changes, systemic and behavioral (staff, customers and other stakeholders) resistances, challenges that surface during implementation that had not been anticipated and the challenge of getting everybody (staff) on board to internalize the vision and the mission of the organization.

The study established that strategy implementation has become the most significant management challenge that organizations face at the moment. These findings concur with the arguments of Njau (2000) who cited weak management roles in implementation, lack of communication, lack of commitment to the strategy and unawareness or misunderstanding of the strategy as major challenges in strategy implementation. Other researchers have revealed that unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities, and uncontrollable environmental factors have as hurdles to strategy implementation.

In the same way, the study noted that there was a challenge of strategy implementation time being underestimated, some competing activities that cause distractions inhibiting smooth strategy implementation, poor communication and coordination, diminished feelings of ownership and commitment by employees. These

findings concur with Huse and Gabrilesson, (2004) observations that underrating environmental forces and lack of proper strategy monitoring systems to be hindering smooth implementation. The study concluded that strategy implementation remains a key challenge for today's organizations.

Numerous studies have emphasized the significance of top management on strategy implementation (Okumus, 1999; Rapert et al, 2002; Simons, 1994; Thompson, 2007). This study views the top management's commitment to the vision of the organization as key to success in its pursuit to achieving successful strategy implementation. Senge (1990) argues that the role of a leader in implementing change is very important in empowering the collective effort of the organization towards meaningful goals, ensure that learning and competences are reinforced and make people feel part of the organization. The top leadership and management play a leading role in ensuring successful strategy implementation in an organization since they act as change initiators. A leader should also ensure adequate resources, keep stakeholders informed and involved, recognize behavior and results, measure results and reward the same and reinforce the change program.

This study resonates with findings of Muriuki (2005) who established that involvement of all employees in relation to day-to-day service delivery and strategy implementation should be emphasized. Involvement in relation to service changes should take place at as early as stage as possible, information for staff should be comprehensive and timely and there should be clarity about who needs to be involved and how they can become involved. The top leadership should actively engage with all staff, including those who are seconded, in joint teams or who are independent contractors. Leaders need to be clear about these from the outset and manage expectations about what is possible within constraints. The leaders should also

provide feedback/results of involvement and show that involvement has made a difference and therefore been valued and worthwhile.

This study show that strategy-context mismatch, ineffective coordination and poor sharing of responsibilities in strategy implementation activities posed a number of challenges to the organization. Other challenges realized include lack of accountability and ownership/responsibility of turning ideas into reality. Some activities were not specific about who will do what, thus implementation deadlines and feedback from the people involved could not be received. Since strategy implementation in organizations embraces all of those actions that are necessary to put strategy into practice, the study suggests formation of cross functional teams to manage and oversee implementation in organizations. Such teams are uniquely suited to apply the multiple skills and perspectives required by any truly cross-functional process.

The study concludes that future organizations are likely to have simpler and more flexible structures, with work organized around processes instead of functions or tasks. They will all emphasize teams as the key implementation and performance unit of the company. Teams are uniquely suited to apply the multiple skills and perspectives required by any truly cross-functional process. They are also skills-based source of competitive advantage. Skills are what matter in an environment characterized by innovation, customer driven service, total quality and continuous improvement.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter outlines summary, recommendations and conclusion. In tandem with the objective of the study, the researcher made the foregoing summary, recommendations and conclusions after data analysis and discussion of the research findings,

5.2 Summary of the findings

This study concludes that strategy implementation is a central thrust of any organization's performance and success. It involves moves to strengthen a company's long-term competitive position and financial performance. For organizations to succeed and secure themselves from surprises brought about by the changing business environment, they need to continuously align themselves with industry forces for their long term survival. Equally, it is paramount for organization to continually review strategy implementation practices with a view of effectively positioning themselves and relating to the environment, to ensure they remain competitive.

The study linked strategy implementation to organizations' productivity, growing profits, improving service or product quality and increasing its long term competitiveness and survival. Despite meeting challenges, organizations seem keen to embraced strategy and entrench it in their systems and processes. However, the study concludes that most organizations are paying less attention to monitoring of strategy implementation thus unable to effectively respond and adapt to the turbulent environment. It is important for organizations to undertake periodic review and assessment of organizational capabilities and behavior needed to move from current state to desired state.

Organizational bureaucracies and diverse operating contexts for firms with subsidiaries seem to be impending smooth strategy implementation. Wide consultation within between overseas Head-offices and subsidiaries during development of strategic plan as well in the implementation of the same is a prerequisite. It is also crucial for all managers and staff within the organization identify themselves with the strategy and its implementation process. Significantly, since strategy implementation in organizations embraces all actions necessary to put strategy into practice, formation of cross functional teams to manage and oversee implementation in organizations seems a logical progression. Such teams are uniquely suited to apply the multiple skills and perspectives required by any truly cross-functional process.

The study concludes that organizations need to adopt best practices and continuous improvement approaches such as bench marking to find best approach to a particular task, make collaborative effort to share information, modify best practice to fit the company's situation and continue to modify as situation changes. Equally, the study notes that human resource development is key towards aligning the people with the strategy through assessing staffing needs and costs, selection the right quantity and quality of employees to carry out execution, employee training, motivating employees (developing performance incentives), work-life balance issues and selecting appropriate leadership styles. Organizations need to design incentive plans that are consistent with an organization's objectives and structures. Such incentives need to be linked to implementation and participation of in the execution process.

Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation. Communication barriers are reported more frequently than any other type of barriers, such as organizational structure barriers, learning barriers, personnel management

barriers, or cultural barriers. This study view frequent communication up and down in organization is key to enhance strategic consensus through the fostering of shared attitudes and values.

The study suggests that managers need and benefit from a logical model to guide execution decisions and actions. Without guidelines, execution becomes a labyrinth. Without guidance, individuals do the things they think are important, often resulting in uncoordinated, divergent, even conflicting decisions and actions. By leveraging on the balanced scorecard approach for example, organizations can integrate the amalgam of strategic and tactical management processes that typically operate in, at best, a loosely coordinated manner. 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.

Strategic implementation within a company is not an exact process, but a dynamic procedure it needs to be monitored by management. The management need also to alter the process 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. Thereby creating clear direction and, potentially, through the development and publishing of the strategy map, facilitate understanding and coordination across the organization.

5.3 Conclusion

This study concludes that strategic implementation processes require the work and attention of all employees and managers at all levels within a business. Since implementation process has the potential to impact a wide range of duties and responsibilities, employees need to have a thorough understanding of their

responsibilities during the process and afterward. To accomplish successful implementation, all employees and managers need to be involved right from the start in the strategy formulation process. Involvement and commitment should also be developed and maintained throughout the implementation process. If key middle and lower level managers are permitted to be involved with the detailed implementation planning, their commitment will be likely to increase. The leaders should also always feedback the results of involvement and show that involvement has made a difference and therefore been valued and worthwhile.

Strategy implementation has become the most significant management challenge which organizations face at the moment. Organizations seem to have difficulties in implementing their strategies. Strategy implementation faces a lot of hurdles and challenges. There are many (soft, hard and mixed) factors that influence the success of strategy implementation, ranging from the people who communicate or implement the strategy to the systems or mechanisms in place for co-ordination and control. Other challenges established were; forces from the operating environment, systemic and behavioral (staff, customers and other stakeholders) resistances, getting everybody (staff) on board to internalize the vision and the mission of the organization.

Also noted was strategy implementation time being underestimated, some competing activities that cause distractions inhibiting smooth strategy implementation, poor communication and coordination, diminished feelings of ownership and commitment by employees. Lack of proper strategy monitoring systems and industrial espionage were also noted to be hindering smooth implementation. The study concluded that strategy implementation remains a key challenge for today's organizations.

5.4 Recommendations

The study made broad recommendations touching on both policy and practice as well in the field of strategy implementation. This subsection highlighted key submissions and suggestions in regard to strategy implementation practice at Ecobank (K) Limited. Similarly, a critique and recommendations in the field of strategic management were also made.

5.4.1 Implications for Theory

The findings of this study gave empirical evidence that have implications for policy and practice. From the findings of the study, it is clear that organizations are struggling with strategy implementation. Apart from documenting strategic plans organizations needs to also documents necessary tools for successful strategy implementation such as annual operational plans, functional or parts strategies and policies. Most importantly organizations need to integrate strategy implementation in their policies and processes to support and match their strategies in the ever changing and competitive business environment if they are to remain competitive in the long run.

This study implies that strategic implementation processes require the work and attention of all employees and managers at all levels within an organization. Implementation process impacts a wide range of duties and responsibilities, thus all employees need to have a thorough understanding of their responsibilities during the process and afterward. The findings of this study imply that in practice, organizations need to endeavor to obtain employee commitment and involvement in promoting successful strategy implementation. Involvement and commitment should be developed and maintained throughout the implementation process.

The study suggests that strategy implementation remains a key challenge for today's organizations. Organizations are having difficulties while implementing their strategies. There are many (soft, hard and mixed) factors that influence the success of strategy implementation, ranging from the people who communicate or implement the strategy to the systems or mechanisms in place for co-ordination and control. However, very few researchers have investigated the link between different aspects influencing success of strategy implementation. There is need for more detailed research on how the isolated factors affect strategy implementation and how to overcome them.

5.4.2 Contribution to knowledge

In spite of the recent interest in research on strategy implementation, there is a significant need for more detailed and comprehensive models related to strategy implementation. Future research on the subject should give emphasis to developing focused models examining key relationships as well as comprehensive of strategy implementation frameworks that provide guidance to practitioners on different levels. Few authors have investigated the link between application of various frameworks and their impact on strategy implementation. More insights to refute the traditional approach to strategy implementation as simply an adjunct to the strategy formulation phase of the strategy process is required.

This study made inferences after examining strategy implementation at Ecobank (Kenya) Limited. There is need for similar studies to be conducted in other subsidiaries of Multinational or regional commercial institutions operating in Kenya. Comparison and cross sectional analysis in the industry will promote sharing of best practices among the companies. This will also reveal critical issues and aspects brought about by replicative research and different contexts. Future research in

organizations in other sectors to gain a fuller understanding of this aspect seems to be a logical progression.

5.4.3 Policy and practice

The study recommended for refinement of the feedback loop especially between headquarters of Multinational firms and their subsidiaries. Similarly, the interface of staff at lower levels and top levels in regard to execution of various programmes need to be enriched. This will enhance comprehensiveness and coherence between the vision carriers and the actors. The study also recommends that regular interdepartmental staff meetings be put in place to overcome challenges related with inadequate interdepartmental communication towards crafting and implementation of strategies. This will also enhance team work and creativity.

The study suggested formation of a fully cross-functional change and execution team alongside the strategy committee at the banks directors' level. The change and execution team could comprise of key personnel drawn from core departments and branches. Among other things, this team should focus on includes; rigorously discussing 'hows' and 'whats', questioning, tenaciously following through; ensuring accountability; making assumptions about the business environment; assessing the organization's capabilities; linking strategy to operations and the people who are going to implement; linking rewards to outcomes; changing assumptions as the environment changes; and upgrading the company's capabilities to meet the challenges of an ambitious strategy. Such teams are uniquely suited to apply the multiple skills and perspectives required by any truly cross-functional process. Skills based source of competitive advantage is likely to gain currency. Skills are what matter in an environment characterized by innovation, customer driven service, total quality and continuous improvement.

Strategy implementation within a company is a dynamic procedure that needs to be continuous monitoring, The study proposes that the bank's puts in place adequate monitoring systems to analyze the data that is being generated during the implementation. This will help the bank to detect and make any necessary changes promptly to make the implementation more efficient. Consequently, such tools will thereby create clear direction and, potentially, through the development and publishing of the strategy map, facilitate understanding and coordination across the organization.

Since Ecobank (K) Limited was eyeing to capture the holistic corporate banking segment in Kenya, there is need to create strong fits between its strategy, context and how the organization does things. The bank can restructure its research and development department to work alongside the office of the head of strategy. This will make it responsive to emerging threats and opportunities as well as be able to monitor strategy implementation at the bank. Further, the study recommends strengthening of Research and development department for better fast tracking of customer trends, analysis of industry dynamics and sees this as an important agenda for survival in the vibrant banking industry.

5.5 Limitations of the Study

The researcher faced a number of constraints in the course of conducting this study which should be acknowledged. It was challenging booking appointments with some respondents due to their busy schedules. Some respondents requested for structured questionnaire that can be mailed but due to the nature of the study, the researcher insisted and managed to convince them to be interviewed. Most of the appointments had therefore to be rescheduled severally

Methodologically, the approach used in this research is limited to operations of Ecobank operations in Kenya. Some senior managers at the bank also have previously worked in the bank's subsidiaries in the West Africa region. The researcher therefore 'sieved through' the data collected by focusing only on that which relate to Ecobank operations in Kenya and overlooking all other viewpoints on strategy implementation that does not relate to the context. The findings, inference and conclusion of this study therefore were made based on information on Ecobank operations in Kenya.

5.6 Suggestions for Further Research

To build and expound more on the application and practice of strategy implementation in the organizations particularly in the banking sector in Kenya, the study recommends similar studies to be conducted in subsidiaries of other Multinational or regional commercial institutions operating in the country. To allow generalization of the research findings, a cross sectional survey can also be carried out to investigate how multinational organizations in other sectors implements strategy in Kenya. Such comparison and cross sectional analysis in other sectors will promote sharing of best practices among the companies. This will also reveal critical issues and aspects brought about by replicative research and diverse contexts.

To gain a fuller understanding of this aspect, the study suggests that researchers in this field need to develop more focused models and comprehensive frameworks in strategy implementation. These simulations should examine key relationships in strategy implementation practice as well as provide guidance to practitioners at different levels. At the same time, few authors have investigated the link between application of various frameworks and their impact on strategy implementation. Lastly, there is need for more insights towards disproving the traditional approach to strategy implementation as simply an adjunct to the strategy formulation process.

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APPENDICES

APPENDIX A: INTRODUCTORY LETTER

ESTHER WAKUTHII KINYUA,

University of Nairobi,

3rd June, 2015.

The Human Resource Manager,

Ecobank (Kenya) Limited,

P.O. Box 49584- 00100,

NAIROBI.

Dear Sir/Madam,

RE: MBA RESEARCH PROJECT

I am a student at School of Business, Nairobi University pursuing a Master of Business Administration program. Pursuant to the pre-requisite course work, I would like to conduct a research project to assess strategy implementation at Ecobank (Kenya) Limited. The focus of my research will be Ecobank (Kenya) Limited and this will involve interview with members of senior management staff.

I kindly seek your authority to conduct research at Ecobank (Kenya) Limited through research interviews and use of relevant documents. I have enclosed an introductory letter from the University.   Your assistance is highly valued.

Thank you in advance.

Yours faithfully,

ESTHER WAKUTHII

APPENDIX B: INTERVIEW GUIDE

STRATEGY IMPLEMENTATION AT ECOBANK LIMITED IN KENYA

Section One: Background Information

1. State your gender?..

2. State your age bracket?...

3. What is your highest academic qualification?..

4. How long have you been in the banking industry?.................................

Section Two: Strategy Implementation at Ecobank (K) Limited.

1. In your view, what is strategy implementation?

2. What does strategy implementation entail/involve at Ecobank (Kenya) Limited?

3. Who (stakeholders) is involved in strategy formulation/strategic planning at Ecobank (K) Limited?

4. How is the bank's strategy communicated within the organization?

5. Who is in-charge of directing and organizing strategy related decisions at Ecobank (K) Limited?

6. Who are involved in the strategy implementation process in your organization?

7. What are some of the mechanisms that the bank has put in place to control and evaluate strategy implementation process?

8. What is the impact of human resource development on effective strategy implementation at your bank?

9. What initiatives are taken by management in creating and sustaining a climate within the firm that supports strategy implementation?

10. What is the style/model of strategy implementation employed at the bank?

11. What are the internal problems/challenges encountered by your organization during strategy implementation process?

12. Which factors in the external environment had an adverse impact in strategy implementation?

13. What are the possible solutions to the challenges of strategy implementation at Ecobank (K) Limited?