

**FACTORS INFLUENCING THE IMPLEMENTATION OF THE KENYA  
SUGAR INDUSTRY STRATEGIC PLAN (2010-2014) //**

**BY**

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the Award of Master of Business Administration (MBA) Degree, School of  
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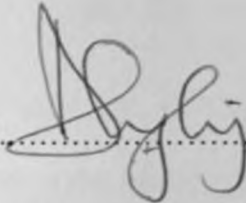
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## DECLARATION

I declare that this Research Project is my original work and has not been presented for any academic award in any university


Signed.....

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This Research project has been submitted for examination with my approval as the University Supervisor

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## **DEDICATION**

This research project is dedicated to my beloved mother Rispa Atieno Onyango and Uncle Christopher Otieno for nurturing my early education through their sacrifice and constant encouragement.

In addition I wish to dedicate this research to my beloved daughter Zawadi Onyango who has been my inspiration during the entire study period. Finally, I wish to dedicate this research to my entire family members and friends.

## ABSTRACT

The study focused on the factors influencing the implementation of the Kenya sugar industry strategic plan (2010-2014). To achieve this objective, case study was used and it involved in-depth interviews with major stakeholders in the sugar industry which comprised of the Chief Executive Officer of Kenya Sugar Board, Kenya Sugar Research Foundation and sugar companies, and Permanent Secretary in the Ministry of Agriculture. The data collected was analyzed through content analysis which gave the conceptual approach in capturing the thematic analysis of the study. It was evident that the sugar industry strategic plan was properly documented and activities pertaining to implementation of the plan were still ongoing. The study identified some of the factors that influence implementation of the strategic plan which included organization and industry structure, communication, resources, human resource capacity and practice, leadership and management, organization and industry policies and procedures, management of information system, government policies, and competition. The implementation of the strategic plan was found to be below par as was envisaged during the formulation process. However, for the strategic plan to be implemented successful there is need for institutionalization and operationalization of the strategy in the day to day activities of key stakeholders in the sugar industry. In conclusion, the success of the Kenya sugar industry can be realized through consideration of factors influencing the implementation of the Kenya Sugar Industry Strategic Plan (2010-2014).

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

The agricultural sector is the backbone of Kenya's economy and the means of livelihood for most of our rural population. Sustained agricultural growth is critical to uplifting the living standards of Kenyans as well as generating rapid economic growth. However, in spite of the importance of the agricultural sector, cane farming in Kenya has for many years been predominantly small scale, rain-fed and poorly mechanized, and inadequate infrastructure and institutional support. The Kenya sugar industry can be competitive through the development of strategic plan which will enhance improved livelihoods, income generation and employment opportunities. According to Ansoff (1990), strategic management is concerned with the broad, long-term future of an organization and the way it will prepare for change to the extent that change is perceived as being a necessary prerequisite of future continued success.

Strategic management is that set of managerial decisions and actions that determines the long-run performance of an organization (Wheelen and Hunger, 2008). Strategic management includes environmental scanning for both internal and external, strategy formulation, strategy implementation, and evaluation and control. Therefore, Strategic Management is all about identification and description of the strategies that managers can carry so as to achieve better performance and a competitive advantage for their organization. Strategy management according to Pearce and Robinson (2011) is viewed as the set of decisions and actions that result in the formulation, implementation and control of plans designed to achieve an organisation's vision,



mission, strategy and strategic objectives within the business environment in which it operates. Thus, strategy could be viewed as administrative affair on its internal and external environment.

### **1.1.1 Concept of Strategy Implementation**

Strategy implementation as a concept is the translation of chosen strategy into organizational action so as to achieve strategic goals and objectives. It involves various management activities that are necessary to put strategy in motion, institute strategic controls that monitor progress, and ultimately achieve organizational goals. According to Sababu (2007) strategy implementation is the process by which strategies and functional policies are put into action through the development of action plans, goals, programmes, budget, procedures, structures, cultures, motivation, communication, leadership, allocation of resources, working climate and enforcement. Strategy implementation can be looked at as the total sum of activities in an organisation through mobilization of resources that enables execution of strategic plans. It is the process by which objectives, strategies and policies are put into action through the development of programs, budgets and procedures (Wheelen and Hunger, 2008).

Strategy implementation is the transfer of a chosen strategy into organizational action so as to achieve strategic goals and objectives. According to Yabs (2010) strategy implementation begins with the analysis of long term plans and breaking them down to small workable annual or short term plan. Strategy implementation is said to be successful if the organization achieves its mission and objectives through the envisaged functional policies. According to Thompson and Strickland (2007) strategy implementation is an integral component of the strategic management process and is viewed as the process that turns the formulated strategy into a series of actions and then results to ensure that the vision, mission, strategy and strategic objectives of the

organization are successfully achieved as planned. Therefore, for a strategy to be successfully implemented it must be made action oriented (Wheelen and Hunger, 2008).

Once strategies have been developed they need to be implemented as they will be of no value unless they are effectively translated into action (Aosa, 1992). Yet despite this widely accepted and recognized position on strategy implementation, it has been realized that it is often not achieved as easily as the other three concepts of strategy planning: formulation, evaluation and control (Owelle, 2011). Strategy implementation is therefore the translation of chosen strategy objective into organizational action so as to achieve strategic goals and objectives. Implementation of strategy through the goodwill of management and mobilization of resources may enable an organization to develop, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and better performance.

A strategy is never complete until it gains a commitment of the organization's resources and becomes embodied into organizational activities (Thompson and Strickland, 2010). According to Yabs (2010) formulation of strategies entails the analysis of the internal and external environment, choosing appropriate strategies which will include designing structures that will facilitate monitoring of progress as the strategy is being implemented. Organisation's management must operationalise its strategies by including all employees within the company so that at the end of the process they will feel that they are part and parcel of the whole strategy implementation process (Yabs, 2010).

Strategy implementation could be looked at as the translation of strategy into organizational action through organizational structure and design, resource planning and the management of

strategic change hence institutionalization of strategy (Ansoff and McDonnell, 1990). The success of strategy implementation is based on institutionalization of strategies by organizations where it must gain full commitment of members and resources, and becomes embodied in the organizational activities. Strategy can be institutionalized within a firm through a series of related measures which jointly protect strategic work from operational, make the strategic work more effective and create a change supporting climate within the firm (Ansoff and McDonnell, 1990). Organisations may undertake successful implementation through operationalization of strategies which involves action plans, operational program and decisions that take place in all the departments of the organization (Yabs, 2010). An organisation's ultimate success or failure may be based on how well its management team charts the company's direction, develops competitively effective strategic moves and business approaches and pursues what needs to be done internally to produce good strategy execution and operational excellence (Thompson and Strickland, 2007).

### **1.1.2 Overview of the Kenya Sugar Industry**

The development of the sugar industry in Kenya started with private investments at Miwani in 1922, followed by Ramisi Sugar Company in 1927. After independence, six additional companies were established namely: Muhoroni (1966), Chemelil (1968), Mumias (1973), Nzoia (1978), South Nyanza (1979), West Kenya (1981) and Soin (2006). The establishment of the parastatals was driven by a national desire to accelerate social economic development, address regional economic imbalances, increase Kenyan citizen's participation in the economy, promote indigenous entrepreneurship; and promote foreign investments through joint ventures. Kenya Sugar Board has also licensed four new white sugar milling factories: Butali Sugar, Kibos Sugar,

Sukari Industries (Ndhiwa) and Transmara Sugar Companies with a combined potential capacity of 3,000 TCD. It also expected that in the near future two additional mills will be established at Kwale and Tana River District along the coastal lowlands (Kenya Sugar Board, Strategic Plan 2010-2014).

Despite these investments, self-sufficiency in sugar has remained elusive over the years as consumption continues to exceed supply. Total sugar production grew from 368,970 tonnes in 1981 to an all time high of 520,404 tonnes in 2007. Domestic sugar consumption increased even faster, rising from 324,054 tonnes in 1981 to 741,190 tonnes in 2007. Consequently, Kenya has remained a net importer of sugar with imports rising from 4,000 tonnes in 1984 to 230,011 in 2007. The country's annual National sugar deficit on average is 200,000 tonnes of sugar which is mostly imported to cut the deficit. These have the potential to precipitate stiff competition to the domestic sugar industry through imports of cheaper sugar from more competitive Common Markets for Eastern and Southern Africa industries (Kenya Sugar Industry, Strategic Plan 2010-2014). The Kenya Sugar industry has a wide range of stakeholders who play different roles in the industry. They include, the Ministry of Agriculture, Kenya Sugar Board, Kenya Sugar Research Foundation (KESREF), Sugarcane farmers (outgrowers) who supply 92% of the cane. Institutions like Outgrower institutions, Unions, Societies and SACCOs whose role is to promote, represent and protect the interest of the farmers. Cane Transporters, Millers and Jaggeries. Other industry stakeholders include: Importers, Financial institutions and consumers (Kenya Sugar Industry, Strategic Plan 2010-2014).

The Sugar industry is a major employer and contributor to the national economy. It is one of the most important crops in Kenya alongside tea, coffee, horticulture and maize. Currently, the

industry directly supports approximately 250,000 small scale farmers who supply over 92 percent of the cane milled by the sugar companies. An estimated six million Kenyans derive their livelihood directly or indirectly from the industry. It is also estimated that in 2008, the sugar industry employed about 500,000 people directly or indirectly in the sugarcane business chain from production to consumption. In addition, the industry saves Kenya in excess of US Dollar 250 million (about Kshs.19.3 billion) in foreign exchange annually and contributes tax revenues to the exchequer (VAT, Corporate Tax, personal income taxes, cess). In the sugarbelt zones, the sugar industry contributes to infrastructure development through road construction and maintenance, construction of bridges and to social amenities such as education, health, sports and recreational facilities (Kenya Sugar Research Foundation, Strategic Plan 2009-2014).

### **1.1.3 The Kenya Sugar Industry Strategic Plan**

The Kenya Sugar Industry Strategic Plan 2010-2014 has been developed within the context of the on-going national institutional and policy reforms, taking into consideration the country's new political system and structure of government. The Plan has also taken into account the achievements and lessons learnt during the previous Sugar Industry Strategic Plan 2004-2009, as well as the constraints experienced during its implementation. The plan has incorporated the strategic thrust and agricultural policy proposals contained in the Vision 2030. The plan aims at contributing towards improved livelihoods, income generation and employment creation through generation and promotion of demand driven agricultural and sugar processing technologies and innovations for enhancing productivity, value addition and competitiveness of the sugar industry (Kenya Sugar Industry, Strategic Plan 2010-2014).

Currently marketing of sugar in Kenya is uncoordinated, inefficient and benefits only a few traders to the detriment of other key industry players. These has resulted in a scenario where domestic consumption figure are at dispute resulting in instability in supply and demand trends and subsequent flooding of imports into the country and ultimately high consumer prices. Kenya is a net importer of sugar (200,000 tonnes) with majority of imports originating from Common Market for Eastern and Southern Africa (COMESA) under the safeguard clause of 100% tariff on imports. This multilateral agreement was due to expire in February, 2012 but was renegotiated for another two years (Kenya Sugar Research Foundation, Strategic Plan 2009-2014). The Kenya Sugar Industry Strategic Plan 2010-2014 was developed to guide the operation of industry and mitigate against the recurrence of these problems every now and then.

The Sugar Industry Strategic Plan 2010-2014 is anchored in Kenya Vision 2030 which is the Government's long term development blueprint for the country. The Vision 2030 was developed following the expiry of the Economic Recovery Strategy for Wealth and Employment Creation (ERS, 2003). The Sugar Industry Strategic Plan 2010-2014 contributes in the attainment of the three pillars of Vision 2030. Under the economic pillar, the industry will play a key role in the attainment of the goals set for programmes in agriculture and manufacturing and to benefit substantially in the wholesale, retail and financial service program through accounting for 15% of agricultural Gross Domestic product (GDP). Under the social pillar the industry will contribute significantly through provision of employment opportunities and wealth creation in the rural areas. In the political pillar the industry will embrace good corporate governance that will create a climate of fairness, transparency and accountability.

The Government developed and launched the Strategy for Revitalizing Agriculture (SRA) in March 2004 to set out the vision of the Government as: To transform Kenya's agriculture into a profitable, commercially-oriented and internationally and regionally competitive economic activity that provides high-quality, gainful employment to Kenyans. This was to be achieved within the framework of improved agricultural productivity and farm incomes, while conserving the land resource base and the environment. The Government's vision pointed to a paradigm shift from subsistence agriculture to agriculture as a business that is profitable and commercially oriented. The Strategy for Revitalizing Agriculture (SRA) also gave policy direction and actions that needed to be taken in each agricultural sector to achieve the vision including the sugar industry (Agriculture Sector Development Strategy, 2010-2020).

## **1.2 Research Problem**

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 results to ensure that the vision, mission, strategy and strategic objectives of the organization are successfully achieved as planned (Thompson and Strickland, 2003). However, according to Flood (2000) 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 and that the high failure rate of organizational initiatives in a dynamic business environment is primarily due to poor implementation of new strategies. The implementation of a strategic plan is anchored on key influential factors such as internal, external, behavioral and systemic factors which include industry structure, human resource, corporate governance, leadership and management, information systems, technology and innovation. Strategic success

is a systematic approach to determining changes that have to be made to a firm's strategy and its internal capability in order to assure the firm's success in its future environment (Ansoff and McDonnel, 1990).

The Kenya Sugar Industry Strategic Plan 2010-2014 was developed and spearheaded by Kenya Sugar Board within the context of the ongoing national institution and policy reforms. The plan took into consideration major changes in the operation and policy environment in the country, as well as the new political system and structure of government. The strategic plan has a key area that needs to be addressed through its implementation for action and results. Given the critical role of strategy implementation in the plan it is important to bring out the factors that influence implementation of the sugar industry strategic plan 2010-2014 to ensure that the gaps identified in the previous Kenya Sugar Industry Strategic Plan 2004-2009 are addressed.

Strategy implementation has been a major study of research in strategic and organizational management. Implementation of strategy has been analyzed as an independent variable in influencing implementation of strategies in organizational and industrial studies. Lutta (2008) studied the challenges of implementing strategic plan at Mumias Sugar Company; some of the challenges have been addressed and has enabled proper implementation of the company's strategic plan. Muriithi (2010) studied an evaluation of the long term sources of capital among government owned sugar companies in Kenya; the focus of the study was on what were the sources of capital among government owned sugar companies. Akombo (2009) studied analyzing Kenya sugar industry competitiveness through Porter's Diamond Model; the study looked into application of Porter's Diamond Model in enhancing competitiveness in the sugar industry. Owelle (2011) studied the challenges of strategy implementation at Chemelil Sugar



Company; the study focused on the origin of the challenges and how they can be addressed towards implementation of the company's strategic plan. Lastly, Wefwafwa (2009) studied the survey of product diversification strategies adopted by Nzoia Sugar Company; the study looked at various product diversification strategies that can be adopted by the company. None of the above mentioned studies has focused on factors influencing implementation sugar industry strategic plan.

The studies mentioned above look at the various strategic concepts that can be adopted by sugar companies but none of the studies focuses on factors influencing implementation of the sugar industry strategic plan. This study seeks to bridge the gap by focusing on factors influencing implementation of the Kenya Sugar Industry Strategic Plan 2010-2014. This gap leads to the following research question; what are the factors influencing implementation of the Kenya Sugar Industry Strategic Plan 2010-2014?

### **1.3 Research Objective**

The objective of this study is to establish the factors influencing implementation of the Kenya Sugar Industry Strategic Plan 2010-2014.

### **1.4 Value of the Study**

The findings of this study will be of value in a number of ways specifically in understanding the factors that have been encountered by the key sugar industry players in the implementation of the industry strategic plan 2006-2009 and the review of the industry strategic plan 2010-2014. The study will be of importance to Kenya Sugar Board as they embark on the formulation, implementation, evaluation and control of the new sugar industry strategic plan to be developed

in line with the Agricultural Sector Development Strategic plan 2009-2020 and Vision 2030. The findings of the study will add into the existing knowledge on strategic management and used as a point of reference in future by academicians.

The findings of this study will be used as a benchmark by policy makers in developing future strategic plan for the industry. It will enable policy makers to promote rehabilitation of the industry, modernization and expansion of the factories to maintain sufficient capacity for the production of sugar to meet domestic consumption requirements.

The Government of Kenya as the main stakeholder of the sugar sector when sponsoring reforms in the industry through loans and grants may find this study useful in prescribing and adopting guidelines and policies under the Agricultural Sector Development Strategy 2009-2020 and Vision 2030. Finally, the findings of this study will be used to measure how the sugar industry transforms itself to profitability and efficiency through good corporate management that will bring about sound management practices.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

This is a chapter on literature review. It focuses on theoretical, conceptual and empirical literature on the main themes of the study. This chapter will present a thorough discussion of the existing body of knowledge on the research topic on the concept, practices and issues in strategy implementation.

#### 2.2 The Concept of Strategy

A strategy of an organization describes the way that organization will pursue its goals, given the threats and opportunities in the environment and resources and capabilities for the organization (Sababu, 2007). Thus, strategy is the organisation's mission, fundamental purposes, overall corporate objectives and basic policies. Strategies are therefore short-term and long-term effective organizational goals in both competitive and non-competitive environments. Sababu (2007) observed that strategies have paradigms which mean that at some envisaged focal point or vision, the different activities of the strategies would begin to add up towards the mission. A company's strategy is management's action plan for running the business and conducting operations (Thompson and Stickland, 2007). The crafting and execution of strategy represents a managerial commitment to pursue a particular set of actions in growing the business, attracting and pleasing customers, competing successfully, conducting operations, and improving the company's financial and market performance. Thus, a company's strategy is all about how

management intends to grow the business, how it will build a loyal customer base and outcompete rival firms, how each functional piece of the business (research and development, supply chain activities, production, sales and marketing, distribution, finance and human resource) will be operated and finally how performance will be improved from time to time. (Thompson and Strickland, 2007).

A strategy of a corporation forms a comprehensive master plan that states how the corporation will achieve its mission and objectives (Wheelen and Hunger, 2000). It maximizes competitive advantages and minimizes competitive disadvantage. A typical business firm usually considers three types of strategy such as corporate strategy, business strategy and functional strategy. Strategic management is a series of managerial decision and activities which assign long-term performance of an organization. Thus, Strategy is the epic centre of strategic management in an organizational set up. It consists of inspecting both organizational environment (internal and external), formulating, implementing, evaluating and controlling strategy. Strategic management is therefore concerned with competing for customers, generating value from the resources and the underlying principle of the sustainable competitive advantages of those resources over rival companies (Lynch, 2009).

Strategic management connotes the process of planning, programming, performance, profiting from and developing business policy while strategy refers to the pursuit of competitive advantage (Gupta, Gollakota and Srinivasan, 2009). An organization uses its history, skills, resources, knowledge and various concepts to explore its future actions through constant review of its strategies and objectives that aim at greater success. Nothing affects a company's ultimate success or failure more fundamentally than how well its management team charts the company's

direction, develops competitively effective strategic moves and business approaches, and pursues what needs to be done internally to produce good day-in, day-out strategy execution and operating excellence (Thompson and Strickland, 2007). Strategy is a potentially very powerful tool for coping with the conditions of change which surround organizations today. The strategies that are selected by an organization will need to be implemented for it to be viable and sustainable on both its internal and external environment. Thus, organizations do not succeed with brilliant strategic plan but can only succeed upon successful implementation of its strategies. Implementation of strategies by organization becomes a matter of driving through the new strategies regardless of changes in the environment (Lynch, 2009).

Effective strategic management begins with the organization clearly articulating its vision for the future (Gupta, Gollakota and Srinivasan, 2009). It covers all decisions and activities that lead to development of one or more effective strategy for achieving goals. Strategic management process consists of the three stages such as strategy formulation, strategy implementation, strategy evaluation and taking corrective actions where necessary (Yabs, 2010). Every company must be willing and ready to modify its strategy in response to changing market conditions, advancing technology, the fresh moves of competitors, shifting buyer needs and preferences, emerging market opportunities, new ideas for improving the strategy and mounting evidence that the strategy is not working well. Regardless of whether a company's strategy changes gradually or swiftly, the important point is that a company's present strategy is always temporary and on trial, pending new ideas for improvement from management, changing industry, competitive conditions and any other new developments that management believe warrant strategy adjustment. Thus, a company's strategy at any given point is fluid, representing the temporary outcome of an ongoing process that, on the other hand, involves reasoned and creative

management efforts to craft an effective strategy and also it involves ongoing responses to market change and constant experimentation (Thompson and Strickland, 2007).

A business strategy is concerned with developing specific business model that will allow the firm to gain competitive advantage over its rivals in the industry in which it operates (Gupta, Gollakota and Srinivasan, 2009). Strategy should be institutionalized and operationalized into the company's policies, procedures and activities. Thus, strategy is an administrative instrument through which a firm attempts to exploit opportunities available in the business environment. A strategy stands a better chance of succeeding when it is predicated on actions, business approaches and competitive moves aimed at appealing to buyers in ways that set a company apart from its rivals and carving out its own market position (Thompson and Strickland, 2007).

### **2.3 Strategy Implementation**

Great strategies are worth nothing if they cannot be implemented (Okumus and Roper, 1999). It can be extended to say that better to implement effectively a second grade strategy than to ruin a first class strategy by ineffective implementation. The performance of a firm is a function of how effective it is in converting a plan into action and executing it. Thus, implementation is the key to performance, given an appropriate strategy. Strategy implementation has been defined as the process by which strategies and policies are put into action through the development of programs, budgets and procedures (Wheelan and Hunger, 2000). According to Sababu (2007) strategy implementation is the process by which strategies and functional policies are put into action through the development of action plans, goals, programmes, budgets, procedures, structures, cultures, motivation, communication, leadership, allocation of resources, working climate and enforcement. Therefore, strategy implementation is inward looking and calls for the

use of managerial and organizational tools to direct resources towards accomplishing strategic results. This involves the design or adjustment of the organization through the administration process. This includes changes to existing roles of employees, their reporting relationships, their evaluation and control mechanisms and the actual flow of data and information through the communication channels which support implementation of strategy by the organisation (Chandler 1962; Hrebiniak and Joyce 2005).

Managing the implementation and execution of strategy is an operations-oriented, make-things-happen activity aimed at performing core business activities in a strategy supportive manner (Thompson and Strickland, 2007). Converting strategic plans into actions and results tests a manager's ability to direct organizational change, motivate people, build and strengthen company competencies and competitive capabilities, create and nurture a strategy supportive work climate, and meet or beat performance targets. Initiatives to put the strategy in place and execute it proficiently have to be launched and managed on many organizational fronts. Management's action agenda for implementing and executing the chosen strategy emerges from assessing what the company will have to do differently or better, given its particular operating practices and organizational circumstances, to execute the strategy competently and achieve the targeted strategic performance (Thompson and Strickland, 2007).

Formulation and implementation of strategy are distinguishable shares and interdependent processes of strategic management (Hrebiniak and Joyce, 2005). The formulation of strategy is focused on determining the future direction of organization, the design of appropriate strategies since the implementation is geared to the process of translating the strategy into action (Shah, 2005). Hrebiniak and Joyce (2005) highlight that companies able to sustain high performance, or

are able to achieve the high performance, made the following key activities like; develop a clear strategic direction; built a quick and effective organization; established an adaptive culture; and, implemented focus on the need of consumers and reduced costs. Knowledge about the implementation of strategy and its influence on the organization is underemphasized in strategic management, decision making and corporate management (Hrebiniak and Joyce, 2005).

Organizational performance depends not only on how the strategy is formulated, but also on how the strategy is implemented. The implementation requires the ability of managers to coordinate a broad scope of issues to transform strategic intent into action (Shah, 2005). Successful strategy execution depends on doing a good job of working with other people both internally and externally. Strategies need to be implemented once developed otherwise they are valueless unless effectively translated into action (Aosa, 1992). Managers should start implementing new strategy with a probing assessment of what the organization must do differently and better to carry out the strategy successfully. Managers should consider precisely how to make necessary internal changes as rapidly as possible (Thompson and Strickland, 2010). The implementation of strategy at every level is conducted against the background of the corporate and unit/functional cultures. Success in implementing a chosen strategy depends very considerably on how acceptable the corporate culture is to the workforce, and how well it is conceived and communicated by the top management of the organization (Cole, 1997).

One of the critical areas in organizational strategies is not just coming up with strategies but also implementing them into actions and results (Ansoff and McDonnel, 1990). Organisation's management must operationalise its strategies by including all employees within the company so that at the end of the process they will feel that they are part and parcel of the whole strategy



implementation process (Yabs, 2010). Strategies can also be institutionalized within organizational activities through a series of related measures which jointly protect strategic work from operational work and make the strategic work more effective and create a change supporting climate within the firm (Ansoff and McDonnell, 1990).

## **2.4 Principal Tasks of Strategy Implementation**

Implementing and executing strategy entails figuring out all the specific techniques, actions and behaviors that are needed for a smooth strategy supportive operation and then following through to get things done and deliver results (Thompson and Stickland, 2010). The idea is to make things happen and make them happen right. The first step in implementing strategic changes is for management to communicate the case for organizational change so clearly and persuasively to organizational members that a determined commitment takes hold throughout the ranks to find ways to put the strategy into place, make it work and meet performance targets. The ideal condition is for manager to arouse enough enthusiasm for the strategy to turn the implementation process into a companywide crusade (Thompson and Stickland, 2010).

For an organization to realize successful implementation of its strategy there is need to adopt the “7 S model” framework that was developed by Mckinsey. This framework was designed to facilitate the analysis of organizations by focusing attention on seven key variables which were sub-divided into two categories of hard elements and soft element (Pascale and Athos, 1981). The first hard element variables are, Strategy-the plan or course of action for allocating scarce resources over time to achieve the organisation’s objectives and goals. Structure-the organizational structure either centralized or divisional structures that can best fit implementation of strategy. System-the formal and informal means by which information is circulated within the

organizational set up. The second soft elements are: Staff-the availability of organisation's personnel in all categories including management who will spearhead the strategy implementation. Style-the leadership and management style, and the organizational culture being adopted by the organization may play a pivotal point in strategy implementation. Skill-the distinctive capabilities and competence of key personnel and the organization as a whole. Shared values-the representation of the fundamental values or philosophy of the organisation's commitment to its customers, quality, excellence and environment (Pascale and Athos, 1981).

An organization successful implementation of strategy depends on the following key supporting factors, the action plan where an organization develops detailed action plans comprising chronological lists of action steps which add the necessary detail to their strategies and assign responsibility to a specific individual for accomplishing each of the action steps. Secondly, the current organization structure must fit the strategy being implemented and the current structure should be appropriate for the intended strategy. Thirdly, organization's success at strategy implementation should consider skilled human resource factor in making strategies happen. Another factor in an organization's successful strategy implementation is the awareness of the need to fund the intended strategies through the annual business plan (Cole, 1997). Lastly, successful implementation also depends on timely monitoring and controlling which includes periodic reviews to observe if strategy is being implemented appropriately within its allocated resource and timeframe.

## 2.5 Factors Influencing Strategy Implementation

The process of strategy implementation cannot be undertaken in isolation without considering factors that influence implementation process in strategic planning. Several studies on strategy implementation have shown the importance of individual factors for strategy implementation and emphasize the big picture of how such factors interrelate and form a strategic implementation environment.

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

Strategy implementation can also be influenced by both behavioral and systematic factors in an organization. They include, implementation success also depends on identifying skilled employees and motivating employees which is the most important strategic resources and the secret of organization's growth. Strategic leadership and management is the ability to shape the

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

Implementation of strategy in an organization can be influenced by external factors which include government policies which define how an organization operates. The government policies developed by the national institution and policy reforms are defined by the new political system and the government structure (Vision, 2030). Effective implementation of strategy can be defined by how the strategy fits the industry structure (Chandler, 1992). Successful implementation of strategy can be influenced by competition from rival firms and Multinational Corporation. According to Thompson and Strickland (2007) he states that a creative strategy that sets a company apart from rivals and yields a competitive advantage is a company's most reliable ticket for earning above average profits. Successful implementing of strategies results from integrating and coordination of technological innovations, production processes, marketing, financing and personnel which defines how the goals in the strategies are achieved. Mitchell (1992) emphasizes on the importance of relationship between main goals and operational targets of organization and its technological strategy. Implementation can also be influenced by economical factors such as inflation, balance of payment, exchange rate against major world currencies, bank lending rate. Finally, implementation of strategy can be influenced by

benchmarking processes by coming up with strategies that tend to outwit rival companies through sustaining competitive advantage (Thompson and Strickland, 2007).

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter presents the methodology used in gathering and analyzing data and reporting the results. Here, the methods and tools used to collect and analyze data are presented and explained with necessary justifications.

#### 3.2 Research Design

The research design used in the study was case study method. Case study is essentially an intensive investigation of a particular unit under consideration (Kothari, 2004). The object of the case study method is to locate the factors that account for the behavior patterns of the given unit as an integrated totality.

The case study undertakes the context of the subject and facilitates in-depth understanding of the subject of study. The subject of the study focuses on factors influencing implementation of the Kenya Sugar Industry Strategic plan 2010-2014.

#### 3.3 Data Collection

The study gathered both primary and secondary data. Primary data were gathered using an interview guide. The guide was developed along the study objective using variables from the literature. The interview guide was then administered by way of personal interviews. The respondents were drawn from the various players in the Kenya sugar industry. These include

Permanent Secretary under the Ministry of Agriculture, Chief Executive Officer of Kenya Sugar Board, Director General of Kenya Sugar Research Foundation and Managing Director of South Nyanza Sugar Company, Muhoroni Sugar Company, Chemelil Sugar Company and Mumias Sugar Company.

The secondary data was gathered from various publications of the sugar industry (Agricultural Sector Development Strategy 2009-2020, Kenya Sugar Industry Strategic Plan 2010-2014, Kenya Sugar Board Strategic Plan 2010-2014 and Strategic Plans from the Sugar Companies), reports and publications associated with the sugar industry, published and unpublished empirical studies based on the sugar industry, public records and statistics, cascades, newsletters, historical documents and other sources of published information.

### **3.4 Data Analysis**

Data were collected and analyzed through content analysis. Content analysis is a research technique for the objective, systemic and quantitative description of the manifest content of a communication (Cooper and Schindler, 2006). According to Kothari (2004) content analysis consists of analyzing the contents of documentary materials such as books, magazines, newspapers and the contents of all other verbal materials which can be either spoken or printed.

Data collected were analyzed under different categories of key stakeholders in the sugar industry which included Kenya Sugar Board, Kenya Sugar Research Foundation, Ministry of Agriculture and four sugar companies through content analysis by use of interview guides. The researcher analyzed the presence, meanings and relationships on the concept of strategy implementation which was summarized in comparison with the theory captured in literature review.

## CHAPTER FOUR

### DATA ANALYSIS, FINDINGS AND DISCUSSION

#### 4.1 Introduction

This chapter covers the analysis of the data collected and findings of the study. The data analysis has been done in line with the objective of the study; which focused on the factors that influence implementation of the Kenya Sugar Industry Strategic Plan 2010-2014. Data was gathered exclusively from the interview guide. The study targeted the top management, who were drawn from various stakeholders in the sugar industry comprising of Chief Executive Officer of Kenya Sugar Board, Director General of Kenya Sugar Research Foundation, Permanent Secretary under the Ministry of Agriculture, and Managing Director of four sugar companies through personal administration of questionnaires.

Content analysis was used in this chapter to capture the statements of the respondents during interviews. It captures the themes that run into process of strategy implementation and factors influencing strategy implementation in the sugar industry.

#### 4.2 Implementation of the Kenya Sugar Industry Strategic Plan (2010-2014)

The Kenya Sugar Industry Strategic Plan 2010-2014 was developed within the context of fast changing and complex socio-economic environment characterized by factors such as a wide range of public sector reforms aimed at improving efficiency and effectiveness in the management of the public service, national institutional and policy reforms, and increase farmer awareness. The implementation of this plan will run through one of the most challenging periods



of an increasingly unfavorable trade protocols in the world sugar market and imminent expiry of the Common Market of Eastern and Southern Africa (COMESA) safeguard period.

The Kenya Sugar Industry Strategic Plan 2010-2014 was reviewed from the earlier Kenya Sugar Industry Strategic plan 2004-2009 which enabled the sugar industry to have a structured roadmap in achieving its obligations. The implementation of the Kenya Sugar Industry Strategic Plan 2010-2014 focuses on enhancing competitiveness in the industry in order to transform it to a leaner cost industry that can take on its competitors, expanding the product base to take advantage of opportunities created in the production process and increase factory profitability through value addition and product diversification, invest in infrastructure development in the sugar growing zones and finally, strengthening the policy, institutional and legal environment.

According to respondents the implementation of the sugar industry strategic plan should be underpinned by an integrated approach based on an implementation framework. The framework should incorporate all key stakeholders in the industry for the strategy to be implemented successfully. The framework shared by most correspondents include performance contracting where annual performance targets will be expected to build upon the previous accomplishments that leads systematically to the realization of the sugar industry's vision and mission. The successful implementation of the industry plan will be enhanced through collaborative partnerships which incorporate joint planning and participation by all key stakeholders to ensure that multiple views, needs and concerns are taken into account and negotiated. Respondents noted that organizational and industrial structures play a critical role in implementing the plan since it is a framework of functional relationships between the various institutions in the industry, showing the hierarchical arrangement of decision making, reporting standards,

allocation of responsibilities and how activities of every institution are organized, controlled, integrated and coordinated within the sugar industry. Monitoring and evaluation framework plays an integral part of implementing the industry strategic plan according to most respondents. It evaluates the progress of planned activities with a view of ensuring that the implementation is proceeding according to plan and the set targets are being met.

It was revealed by respondents, Kenya Sugar Board is the apex body in formulation, implementation and evaluation of the Kenya Sugar Industry Strategic Plan 2010-2014. Stakeholders involved in the implementation of the sugar industry strategic plan in collaboration with Kenya Sugar Board include the Ministry of Agriculture, Kenya Sugar Research Foundation (KESREF), and sugar companies. All correspondents noted that quarterly strategic meeting reviews are undertaken to deliberate and assess the implementation of the Industry Strategic Plan. Furthermore, it was evident that there was a mismatch between the Industry Strategic plan and the correspondent's organizational Strategic Plan. The implementation of the Strategic Plan is one of the main priorities of the top management but it's not properly institutionalized and operationalized by the respondents respective organizations.

It was evident that the Kenya Sugar Industry Strategic Plan 2010-2014 envisaged above was far from implementation. Implementation of the Plan is attributed to the fact that the objectives were too ambitious, not simple, not measurable, unachievable, unrealistic hence extremely difficult to implement and monitor. This was evidenced that the implementation of some activities was delayed because of lack of enough funds. The combined installed capacity of sugar factories in the country is approximately 24,040 tonnes of sugarcane crashed per day (TCD) this could produce about 883,691 tonnes of sugar per annum. However, the average capacity utilized was

13,522.50 tonnes of sugarcane crushed per day (TCD) which is far below the optimal capacity level (Kenya Sugar Statistical Book, 2009). Whereas some factories were producing sugar as per the expected capacity standards, other factories such as Chemelil and Muhoroni Sugar Co. are still recording sugar recoveries below the industry standard of 10.1% which lower compared to long term target of 11.5%.

### **4.3 Factors Influencing Implementation of the Kenya Sugar Industry Strategic Plan (2010-2014)**

Although the Kenya Sugar Industry Strategic Plan was formulated for a five year period, there have been major changes in the operating and policy environment in the country that have necessitated proper alignment and taking cognizance of implementing the plan. The aim of the 2010-2014 Strategic Plan is to maintain and build on the success achieved in the 2004-2009 Strategic Plan. However, theme of this study is pegged on factors influencing the implementation of the Industry Strategic Plan 2010-2014 which are divided into four factors which include Internal, External, Behavioral and systemic factors. The internal factors include organizational structure which formulated the sugar industry strategic plan 2010-2014. Therefore, implementation of strategic plan is influenced by proper structures within the organization and the industry. It is a framework of functional relationships between the various stakeholders in the industry, showing the hierarchical arrangements of decision making, reporting standards, allocation of responsibilities and how the activities of the stakeholders are organized, controlled, integrated and coordinated in the industry. Attitudes, history and culture of the organization could dictate the implementation of the industry plan. Most respondents noted that the implementation will depend mostly on the historical background of the organization (how and

when was the company formed), attitudes and culture of the employees (Religions, customs and beliefs) plays a significant role during implementation of the plan.

One of the impediments of strategy implementation according to respondents is availability of resources that will facilitate activities that lead towards achieving the objectives and goals of strategic plan. Availability of enough financial resources would fast track strategy implementation which will lead to matching the budgetary allocation towards achieving the objectives of the strategic plan. Communication between top level managers to middle level managers to lower level managers and finally to employees could influence proper implementation of strategic plan in an organization. But in the sugar industry well coordinated communication system from the parent Ministry of Agriculture through to Kenya Sugar Board, Millers and other stakeholder could be influential in the implementation of the Strategic Plan.

Behavioral factors that influence implementation of the Industry strategic plan include human resource practices applied in the sugar companies tend to be influential in strategy implementation. According to respondents the human resource capacity and practices include recruitment of competent personnel that will spearhead the implementation process, practice of proper motivational factors, training and development of personnel in strategy implementation which brings about institutionalization of the strategic plan to all personnel in the company. It was evidenced from respondents that proper leadership and management practices by the top managers of their respective company could be influential in strategy implementation. Most respondents testified that for the industry to achieve its objectives and goals pointed out in the strategic plan there has to be proper leadership and management practices in terms of decision making, proper communication channels and the goodwill of the sugar company's top

management, Ministry of Agriculture, Kenya Sugar Board and other key stakeholders. The systematic factors that influence strategy implementation according to most correspondents include: Policies and procedures systems being applied and practiced by the sugar company could be influential in strategy implementation. Most companies in the sugar industry like South Nyanza Sugar Co. (SONY), Chemelil, Muhoroni, Mumias Sugar Companies are ISO Certified which means their policies and procedures systems are set within international standards. Thus, ISO Certification of the sugar companies has been one of the driving forces in formulating and implementing strategic plan in the sugar companies. Proper Management of Information System in an organization has played a key role in influencing strategy implementation in a company. The day to day information system is dynamic and there is need for sugar companies to update their information system from time to time, this could influence implementation of the strategic plan since the system can easily store data, send data or information, encourage easy monitoring of projects, enables transparency and accountability of activities especially in finance and procurement department.

The external factors that influence the strategy implementation include government policies and procedures that have a strong influence in the strategy implementation activities of the Sugar Industry Strategic Plan. This includes the appointment of key members of strategy implementation such as the Chief Executive and Board of Directors of Key stakeholder companies in the sugar industry. The government has played a key role in formulation and implementation of the Sugar Industry Strategic Plan since some of the set objectives and goals are inclined towards achievements of Vision 2030. The government through the amendment of the Sugar Act 2001 formed the Sugar Arbitration Tribunal which arbitrates any dispute or conflict within the sugar industry for example the current dispute at Nasewa land in Busia

County. Respondents clarified that with proper Industry Structure in place the implementation of the Industry Strategic plan could be accomplished within the shortest time possible. An industry structure will enable proper monitoring of the projects, proper allocation of roles and duties enables communication to be done easily from one stakeholder to the other. Thus, a proper Industry Structure reduces the complexity of strategy implementation. The Kenya Sugar Industry has experience the entrance of private investors like Kibos, Transmara, Sukari Industries, West Kenya, Butali Sugar Companies who have brought about competition for raw materials and market share in the industry. This has enabled other sugar companies to come up with strategic plan that will enable the company to compete with new sugar companies.

The Kenya Sugar Industry Strategic plan was formulated initial through benchmarking from other sugar producing companies. Benchmarking of the Plan from other sugar producing countries has influenced the implementation of the Industry Strategic Plan since the Industry wants to be at par with other Common Market for Eastern & Southern Africa (COMESA) countries when the safeguard period expires in February 2014. The Cost of Production and inflation have played a key role in strategy implementation by most sugar companies according to most correspondents. The high cost of sugar production in Kenya increases annually, which has prompted sugar companies to come up with strategic plan that will enable them mitigate the cost of production against their returns (profits).

It was confirmed that during the review of the previous Kenya Sugar Industry Strategic Plan 2004-2009 it was revealed that only 30% level of implementation had been achieved and many of the other activities are still in work in process. However, some of the unfinished activities

have been forwarded into the current strategic plan period 2010-2014 which appear as a backlog in the current strategic Plan but tend to influence implementation of the industry strategic plan

#### **4.4 Discussion**

The study sought to determine and analyze factors influencing implementation of the Kenya Sugar Industry Strategic Plan 2010-2014. The study sought to determine implementation of the industry strategic plan at a time when the sugar industry needs to rethink its direction as it approaches the liberalization of the sugar industry in the Common Markets of Eastern and Southern Africa (COMESA) safeguard period. It was noted from the findings that the previous Sugar Industry Strategic Plan 2004-2009 level of implementation of the activities had only accomplished 30% of the activities (Kenya Sugar Industry, Strategic Plan 2010-2014). This was as a result of poor planning and unrealistic objectives. The finding of the study concurs with Thompson and Stickland (2007) empirical study where a company's Strategic Plan has to be well matched with the industry and competitive conditions, best market opportunities and its external environment. Therefore, the plan has to be tailored to the industrial and organizational resources, strengths and weaknesses, competencies, and competitive capabilities for proper implementation and attainment of the obligations of the plan.

The findings of the study show that there is implementation framework in the industry, but the execution of the framework by the industry players has brought about major shortcomings in the implementation of the plan. Sababu (2007) argues that for a strategy to be implemented successfully it calls for the use of managerial and organizational tools to direct resources towards accomplishing strategic results. The finding of the study supports Sababu (2007) empirical study that is supported by Thompson and Strickland (2007) who argue that implementing and

executing strategy entails figuring out all the specific techniques, actions and behaviors that are needed for a smooth strategy and then following through to get things done and deliver results. It should be noted that for effective implementation of strategy the necessary tool and action plans need to be in place and are executed properly for the activities in the plan to be accomplished in the shortest time possible.

Monitoring, evaluation and reporting systems is one of the implementation framework according to the findings of the study. However, without a well-institutionalized monitoring, evaluation and reporting system, many stakeholders within the sugar industry may not report their planned activities and current operations. This is supported by Sababu (2007) who argues that monitoring and evaluation is a continuous process as all strategies are subjected to future modification because of the constant changes of the external and internal factors. As a result there has been no reliable information for accurate forecasting of the Strategic Plan. This has denied the Kenya Sugar Board the opportunity to gather information that would have been essential in facilitating the design and redesign of a longer-term strategy for the transformation of the industry. Strategies must be evaluated to ascertain whether the process of implementation will succeed in attaining the set objectives or not (Yabs, 2007). The finding of this study concur with Yabs (2007) study since organizations should always note that if there is any doubt as to whether the targets will not be attained, then the course of events must be changed to divert to the routes that can take the company to the intended end results.

The findings of the study elaborate on communication as a factor that influences implementation of the Sugar Industry Strategic Plan. Owelle (2011) noted that organization should ensure that there is proper communication plan which will enable effective implementation of strategy. It



can therefore be concluded from the empirical study that properly constituted reporting system ensures consistent delivery of information, enhances relationship with stakeholders, creates a feeling of ownership as employees and other stakeholders become more involved and informed, ensures efficient use of resources and creates a more unified approach in strategy implementation.

The study finds financial resources as one influential factor towards implementing the industry strategic plan. However, high indebtedness by most of the factories has led to lack of implementation of some of the strategic objectives as some of the funds for implementation were to be acquired from internal sources. This led to inability to match the budgetary allocation towards achieving the objectives of the Industry Strategic Plan. A company's ability to marshal the resources needed to support new strategic initiatives and steer them to the appropriate organizational department has a major impact on the strategy implementation and execution process (Thompson and Strickland, 2007). The finding is supported by the empirical study because during the process of implementing and executing strategy, managers need to determine what resources will be needed and then consider whether the current budgets of organizational departments are suitable.

Human Resource Management plays an integral role in implementing the industry strategic plan according to the findings of the study. The sugar industry should therefore ensure that the quality of company's employees is always an essential ingredient of successful strategy execution and implementation, engaged employees are a company's best source of creative ideas for the operating improvements that lead to operation excellence. This finding supports Thompson and Strickland (2007) argument that the task of implementing and executing challenging strategic

implementation and initiatives must be assigned to top management who have the skills and talents to handle them and who can be counted on to turn their decisions and actions into results that meet or beat the established performance targets. It can be noted that the sugar industry must have human practices that will attract, nurture and retain a pool of talented staff with impressive academic achievement backed by quality result oriented attitude in order to attain the obligations of the plan.

According to the finding of the study policies and procedure systems being applied by various stakeholders may influence implementation of the industry strategic plan. It was evidenced from respondents that there was a mismatch between the Industry Strategic Plan and Stakeholders' Strategic Plan. This was brought about due to lack of clear policies and procedures in the sugar industries which has reduced efficiency and effectiveness of strategy implementation. A company's policies and procedures can either assist the cause of good strategy execution or be a barrier (Thompson and Strickland, 2007). The finding of this study concurs with Thompson and Strickland (2007) empirical study by noting that anytime a company moves to put new strategy elements in place or improve its strategy execution capabilities, managers are well advised to undertake a careful review of existing policies and procedures, proactively revising or discarding old policies and procedures. This finding is also supported by Obara (2006) who argues that an organization without clear policies and procedures governing management plans bring about conflict in roles and duties and can hinder implementation of decisions resulting in non-achievement of desired results. Therefore, a properly constituted code of conduct that includes organizational policies and procedures with specific guidelines is essential for implementing the strategic plan.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This is a chapter on summary, conclusion and recommendations. It presents a summary of key findings based on the objectives of the study and draws conclusion based on the key findings and discussions of the findings. The chapter also presents the recommendations for both policy and practice which are also based on the key findings of the study. Finally, the chapter covers limitations of the study and the suggestions for further study.

#### **5.2 Summary of the Findings**

The study revealed the concept of strategy and its implementation in the Kenya Sugar Industry. The intent of this study is to find the factors that influence implementation of the Kenya Sugar Industry Strategic Plan 2010-2014 which have been categorized into internal, external, behavioral and systemic factors.

The study revealed that implementation of the Kenya Sugar Industry Strategic Plan 2010-2014 is essential in ensuring competitiveness of the industry in order to expand the product base that will take advantage of opportunities created in the production process and increase value addition and product diversification that will be essential in attaining the obligations of the plan. The findings of the study revealed the implementation framework of the strategic plan which included performance contracting, collaborative partnership, industrial and organizational structures, and monitoring, evaluation and reporting systems.

The study revealed that during the review of the previous Kenya Sugar Industry Strategic Plan 2004-2009 only 30% level of implementation had been achieved and many of the activities are still in work in progress which meant that some of the activities had been forwarded into the period of the current strategic plan. However, this catalyzed the implementation of the plan since most of the previous activities are inter-related with the current activities. The study identifies factors that influence implementation of the industry strategic plan which include organizational and industrial structures, financial resources, human resource practices, leadership and management, policies and procedures systems, management of information systems, government policies, benchmarking from other sugar producing countries.

The Study also notes proper sugar industry structure would be of great value when formulating and implementing the strategic plan. A proper industry structure will enable the stakeholders to know which particular roles and activities they are suppose to undertake, it will enhance multi disciplinary monitoring and evaluation of the strategic activities and proper reporting systems. The study identifies communication as one of the key factors that influence implementation of the plan. Communication system in the industry will ensure consistent delivery of information and assigning responsibilities among the stakeholders of the industry who become more involved and informed in the implementation of the strategic plan.

### **5.3 Conclusion**

It can be concluded from the findings of the study that proper communication system plays an integral role in implementing the industry strategic plan. Communication between the top management with other employees and among industry stakeholders enhances consensus through sharing of ideas, values and experiences that will enable efficient and effective implementation

of the strategic plan. This conclusion can be drawn from Owelle (2011) who argues that proper communication plan will enable effective implementation of the strategy in an organisation. Therefore, communication among the stakeholders of the industry ensures consistent delivery of information, creates a feeling of ownership since the employees and stakeholders of the industry become more involved and informed in implementing the industry strategic plan.

The success of implementing the industry strategic plan should be based on institutionalization and operationalization of strategies by Kenya Sugar Board which is the apex body among key industry stakeholders. It will gain stakeholder's full commitment and becomes embodied in their day to day activities this will ensure effective and efficient implementation of the strategic plan. This conclusion is supported by Ansoff (1990) who argues that strategy can be institutionalized within a firm through a series of related measures which jointly protect strategic work from operational, make the strategic work more effective and create a change supporting climate within the organization. Yabs (2010) also noted that management of organizations must operationalize its strategies by including all employees within the company so that at the end of the process they will feel that they are part and parcel of the whole implementation process.

The sugar industry needs to transform itself to profitability and efficiency path through proper management practices. This will develop and implement policies that would ensure that the principles of good governance are instituted and maintained to enhance competitiveness, transparency, accountability and sustainability in implementing the industry strategic plan. Thompson and Strickland (2007) notes that the task of implementing and executing challenging strategic implementation and initiatives must be assigned to top management who have the skills

and talent to handle them and how can be counted on to turn their decisions and actions into results that meet or beat the established performance targets.

The government through the Ministry of Agriculture should ensure that the appointment of Board of Directors and Chief Executive Officers of government owed institutions in the industry are of relevant skills and experience in spearheading the implementation of the industry strategic plan. According to Thompson and Strickland (2007) an organization's ultimate success or failure maybe based on how well its management team charts the company's direction develops competitively effective strategic moves and business approaches and pursues what needs to be done internally to produce good strategy execution and operational excellence.

#### **5.4 Recommendations for Policy and Practice**

The recommendation of the study is based on policy and practice of the key findings of the study. The Kenya Sugar Board should ensure that there is proper framework for setting goals, defining key actions and mobilizing resources to fund the activities that will achieve goals of the strategic plan. This will provide an opportunity for the exchange of ideas by key stakeholders in the industry and increase awareness of industry-wide limitations and opportunities leading to a greater appreciation of actions to be undertaken. This will bring about greater willingness to share information, gather new ideas and situate local area issues in an industry context. As a result Kenya Sugar Board in collaboration with other key stakeholders should form a monitoring committee which has the overall responsibility of monitoring and assessing the progress of implementing the industry strategic plan.

The industry should undertake consultation forums to review status of implementing the plan which will provide opportunities to all industry stakeholders to learn on how to operationalize and institutionalize the strategies and activities of plan from the leaders and managers, and innovators of the industry. This will enhance performance of the industry premised on proper utilization of resources arising from clearly identified goals, targets and performance indicators. As a result it incorporates all constructive views and suggestions from stakeholders, build on the current achievements and strengths which will contribute significantly to the growth of the industry so as to improve the welfare of all the industry stakeholders.

### **5.5 Limitations of the Study**

The study is limited along the conceptual, contextual and methodological line. Different empirical studies have been done on the concept of strategy implementation in sugar industry. However, other empirical studies to be undertaken that may have an impact in the sugar industry include change management, corporate governance, knowledge management and competitive advantage, strategy and performance.

The study is only limited to the sugar industry and more focus has been given on government owned institutions within the sugar industry instead of incorporating private institutions, this has led to narrowing the scope of the study.

Because of the work engagement of most correspondents it was cumbersome to access them since most of them were usually busy on other assignments and it took a lot of time and patience by the researcher to get their audience. Some of the privately owned sugar companies were unable to share information with the researcher since the authority had to come from the

company owners who were not available at the time of visit. This limited the scope of data analysis in the study since the views of privately owned sugar companies are proper captured by the researcher.

## **5.6 Suggestions for Further Study**

This study suggests that empirical studies need to be undertaken within the concept of strategy in the sugar industry such as corporate governance, strategy and performance, change management that maybe of great importance to the body of knowledge and society.

The study also suggests that similar studies should be done in other sectors such as energy, tea, manufacturing or educational sector to contribute to the body of knowledge in the area of strategy management and implementation.

Further, the study suggests that future studies in the sugar industry should also consider collecting primary data using questionnaires which may give a wider scope of the study analysis.



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## **APPENDICES**

### **APPENDIX I**

#### **Interview Guide**

##### **A. Chief Executive Officer-Kenya Sugar Board**

1. What are the broad objectives of the Sugar Industry Strategic Plan 2010-2014? What role do you play in attaining these objectives?
2. What kinds of issues do you associate the industry strategy plan within your organization?
3. What are the strategic implementation practices employed by your organization?
4. What role does your organization play in implementing the industry strategic plan? Which implementation frameworks are in place?
5. Which decision making is preferred and used in your organization?
6. Kindly state the mode and the role of communication in the process of strategy implementation?
7. What are some of the challenges you face in terms of employee morale, behavior and general approach during implementation of the industry strategy? How did you address them?
8. In your own words what are some of the factors that have played a key role in implementing the industry strategic plan by Kenya Sugar Board?
9. Could you say that there are some policies and procedures that had to be changed during implementation of the plan?

10. Does the organizational structure fit the industry strategic plan? If so are there some changes that have been done in order for the plan to fit the organization structure?
11. Is the time frame provided for implementing the strategic plan adequate enough?
12. What recommendations would you like to give on the implementation of the plan in future?

## **B. Permanent Secretary-Ministry of Agriculture**

1. What are some the reasons for developing the Sugar Industry Strategic Plan 2010-2014?
2. Does the ministry provide adequate funds for the formulation and implementation of the Sugar industry Strategic Plan?
3. What systems are in place to ensure proper utilization of the funds to ensure accountability and transparency in implementation of the strategy?
4. What role does the Ministry play in implementing the Sugar Industry Strategic Plan? In an effort to implementing them what implementation framework has the Ministry put in place?
5. What communication criteria does the Ministry adopt during implementation of the strategic plan?
6. Can you elaborate on what role the leadership and management of the Ministry contributes towards implementation of the Industry Strategic Plan?
7. Does the plan fit the sugar Industry structure? If so what were some of the changes made for the plan to fit the industry structure?
8. What can you say did not work well to support the implementation process of the plan?
9. In your own words what are some of the factors that have played a key role in implementing the industry strategic plan by the Ministry of Agriculture?

10. What are some of the recommendation you may share for implementing future sugar industry strategic plan?

### **C. Managing Director-Kenya Sugar Research Foundation**

1. What is the role of KESREF in the sugar industry?
2. What role does KESREF play in the implementation of the Sugar Industry Strategic plan?
3. What forms of communication does KESREF use during implementation of the Sugar Industry Strategic Plan?
4. What are some of the implementation framework KESREF has come up with to ensure successful implementation of its strategies? What processes does KESREF adopt in executing them?
5. Is the senior management team of KESREF in the forefront in providing leadership to ensure proper implementation of the Industry Strategic Plan?
6. What are some of the cane varieties that KESREF recommends to the farmers? Do they fulfill the objectives of the Sugar Industry Strategic plan?
7. What are some of the recommendation you can share for future implementation of the sugar industry strategic plan?

### **D. Managing Director-Sugar Companies**

1. What are the broad objectives of the Industry Strategic Plan 2010-2014? What role does your company play in attaining these objectives?
2. What role do you play in communicating the organizational and industry strategic plan to other members of staff?

3. In your own word could you explain what role the senior management staff plays in the implementation of the industry strategic plan?
4. What action plans has your company adopted to ensure that there is proper implementation of the Industry's strategic plan?
5. Can you briefly describe your organizational structure? Is the plan fit for the structure? Have there been any changes in the structure to fit the plan?
6. What are some of the challenges you face in terms of employee morale, behavior and general approach to work during the implementation of the plan? How did you go about them?
7. When recruiting new employees, how does the human resource team assess their competency so that they are compatible with the new strategy?
8. Comment on how your company has undertaken the following tasks to build high performance culture towards strategy implementation
  - a) Training of employees on strategy implementation?
  - b) Motivating employees to be innovative and creative?
  - c) Setting of performance targets?
9. What is the time frame for implementation of the industry strategic plan? Is it adequate enough?
10. In your own words, could you share some of the factors that influence implementation of the industry strategic plan?
11. What recommendations do you have for future efforts on implementation? Is there anything more you would like to add?

**Thank you very much for your time.**



APPENDIX II  
Letter of Introduction



**UNIVERSITY OF NAIROBI**  
**SCHOOL OF BUSINESS**  
**MBA PROGRAM – LOWER KABETE CAMPUS**

Telephone: 732160 Ext. 208  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P.O. Box 30197  
Nairobi, Kenya

Date: 29<sup>th</sup> August 2012

TO WHOM IT MAY CONCERN

The bearer of this letter Daniel Ochieng Onyango

REGISTRATION NO: D61/63894/2010

The above named student is in the Master of Business Administration degree program. As part of requirements for the course, he is expected to carry out a study on **Factors Influencing the Implementation of the Kenya Sugar Industry Strategic Plan 2010 - 2014**

He has identified your organization for that purpose. This is to kindly request your assistance to enable him complete the study.

The exercise is strictly for academic purposes and a copy of the final paper will be availed to your organization on request.

Your assistance will be greatly appreciated.

Thanking you in advance

Sincerely,

**MR. ALEX JALEHA**  
**COORDINATOR, SOB, KISUMU CAMPUS**

CO-ORDINATOR.

29 AUG 2012

UNIVERSITY OF NAIROBI  
KISUMU CAMPUS

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