CHALLENGES OF STRATEGY IMPLEMENTATION AT RITHO FARMERS COOPERATIVE SOCIETY

BY

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DECLARATION

This research project is my original work and has not been submitted for examination to any other University or College for the award of degree, diploma or certificate.

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DEDICATION

To my Mum Monicah and my late Dad Kweri who taught me from my tender age the virtue of hard work and shaped me to whom I am today. This research is also dedicated to my dear husband Newton Kihara and my daughter Fann Claudia for their inspiration, prayers, encouragement, and support during the entire period of my study. You missed my company as I concentrated on my MBA programme including attending lectures and group discussions during evenings and weekends. God bless you always.
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ABBREVIATIONS

FCS-Farmers Cooperative Society

OECD-Organization for Economic Cooperation and Development

MCD&M- Ministry of Cooperative Development and Marketing
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The environment in which organizations, whether for profit or non-profit, private or public operate in is dynamic and highly unpredictable. Due to the constant changes, organizations are required to continuously adapt so as to strategically meet the evolving challenges and exploit emerging opportunities to ensure survival and success. Without successful implementation of formulated strategies, the organization will not obtain the intended results. Ritho Farmers Cooperative Society is not an exception to the environmental changes and as a result has formulated its strategic plan 2010/2014.

The researcher carried out this management research study with special focus on two objectives; to determine strategy implementation challenges and establish measures taken in dealing with challenges encountered during strategy implementation at Ritho FCS. To achieve the stated objectives a case study research design was used, primary data was collected through an interview guide interviewing 8 top managers of the Society. All of them responded representing 100% response rate. The researcher also used any available information from the secondary sources which included the documented strategic plan 2010/2014, documented society policies and procedures, guidelines, society by-laws and working manuals.

Content analysis was used to analyze the data which confirmed the main challenges faced by Ritho FCS in their strategies implementation as poor communication, inadequate financial resources, leadership, organization policies and procedures, governance, unpredictable climatic change, and unsound reward system. Other challenges included government policies and procedure, implementers of strategy leaving the Society before implementation, organization politics and marketing. The second objective of the study was to establish the measures the society is undertaking to mitigate the mentioned challenges. The study revealed these measures as; training and development of staff and management as well as farmers on farm management and good agricultural practices; exchange program visits; succession planning; cost cutting measures and partnering with several stakeholders.
1.1 Background of the Study

Strategy is the determination of the basic goals and objectives of an organization, the adoption of the courses of action and allocation of resources necessary to carry out the goals. It is a blue print of actions to be done in an organization arising out of the need to achieve certain organizational goals. Organizations, whether for profit or non-profit, private or public have found it necessary in recent years to engage in strategic management in order to achieve their corporate goals. The environments in which they operate have become not only increasingly uncertain but also more tightly interconnected (Machuki, 2005). This means that organization’s managers are required to think strategically as never before, need to translate their insight into effective strategies to cope with their changed environments and to develop rationales necessary to lay the groundwork for adopting and implementing strategic plans in this ever changing environment. According to Pearce and Robinson (1997), in order for organization to achieve their goals and objectives, it is necessary for them to adjust to their environment.

Strategy implementation is a vital component of strategic management process. Implementation involves putting into action the logically developed strategies. It is the summation of activities in which people use various resources to accomplish the objectives of the strategy (Higgins and Vincze 1986). According to Steiner et al (1989) implementation of policies and strategies is concerned with the design and management
of systems so as to achieve the best integration of people, structures, processes and resources in reaching organizational objectives. William (1991) describes implementation as the execution of tactics both internally and externally so that the organization moves in the desired strategic direction. Thus, strategy implementation is the process of translating strategic plans and policies into results.

Strategic plans are a critical element in organizational functioning but whereas most organizations have good strategies, successful strategy implementation remains a major challenge. The notion of implementing strategies might seem quite straightforward but implementing already formulated strategies is not easy. Transforming strategies into action is a far more complex, difficult and challenging undertaking and therefore not as straightforward as one would think (Aaltonen and Ikavalko, 2001). Mintzberg and Quinns (1996) noted that 90% of well formulated strategies fail at implementation stage, while according to David (1997); only 10% of formulated strategies are successfully implemented. The reasons that have been advanced for success or failure of the strategies revolve around the fit between the structure and strategy, the allocation of resources, the organizational culture, leadership, reward as well as the nature of strategy itself (Kithinji, 2005). Because implementation of strategies remains the greatest bottleneck, many organizations are not able to address their goals adequately (Machuki, 2005).

1.1.1 The Concept of Strategy Implementation

The nature of strategy is formulation and implementation. Strategy implementation is one of the components of strategic management and refers to asset of decisions and actions
that result in the formulation and implementation of long term plans designed to achieve organizational objectives. Through strategies, management commits to pursue a particular set of actions. Thompson and Strickland (2001) defined strategic management as a managerial process of forming a strategic vision, setting objectives, crafting a strategy, implementing and executing the strategy and then overtime initiating whatever corrective adjustment in the vision, objectives, strategy and execution as deemed appropriate.

Strategic management by itself is a process. Robins and Coulter (2002) defines it as “the process that encompasses strategic planning, implementation and evaluation”. In their view, strategic management process is a way of considering; deciding and realizing already formulated strategies. Strategy implementation, on the other hand, is concerned with both planning on how the choice of strategy can be put into effect, and managing the changes required (Wang, 2000). Management issues to strategy implementation include establishing annual objectives, devising policies, allocating resources, altering an existing organization structure, restructuring and re-engineering, revising reward and incentives plans, minimizing resistance to change, matching managers with strategy, developing a strategy supportive culture, developing an effective human resource function, and if necessary, downsizing (David, 2003). According to Aosa (1992) once strategies have been developed, they need to be implemented. They are of no value unless they are effectively translated into action. However, poor implementation of an appropriate strategy may cause that strategy to fail (Kiruthi, 2001). An excellent implementation plan, will not only cause the success of an appropriate strategy, but can also rescue an
inappropriate strategy (Hunger & Wheelen, 1994). Strategy implementation is therefore crucial to effective management (McCarthey et al, 1996).

Challenges that occur during the implementation process of a strategy are an important area of research because even the best strategy would be ineffective if not implemented successfully. Despite the fact that challenges to successful strategy implementation have not been widely investigated, there are some issues that have surfaced in many studies. Successful strategy formulation does not guarantee successful strategy implementation. It is always more difficult to do something, that is, strategy implementation, than to say you are going to do it, that is, strategy formulation (David, 1997). The transition from strategy formulation to strategy implementation requires a shift in responsibility from strategists to divisional and functional managers. According to David (1997), implementation challenges can arise because of this shift in responsibility, especially if strategy formulation decisions come as a surprise to middle and lower level managers.

The most important problem experienced in strategy implementation in many cases is the lack of sufficient communication. Aaltonen and Ikavalko (2001) state that the amount of strategic communication in most of the organizations is large, both written and oral communication is used in form of top down communications. However, a great amount of information does not guarantee understanding and there is still much to be done in the field of communicating strategies. Al-Ghamdi (1998) identified barriers to strategy implementation which include; competing activities that distract attention from implementing the decision; changes in responsibilities of key employees not clearly
defined; key formulators of the strategic decision not playing an active role in implementation; key implementation tasks and activities not sufficiently defined; problems requiring top management involvement not communicated early enough; information systems used to monitor implementation are inadequate; overall goals not sufficiently understood by employees; uncontrollable factors in the external environment; surfacing of major problems which had not been identified earlier; advocates and supporters of the strategic decision leaving the organization during implementation; and implementation taking more time than originally allocated.

Okumu (2003) found that the main barriers to the implementation of strategies include lack of coordination and support from other levels of management, resistance from lower levels and poor planning of activities. Corporate culture is another challenge in strategy implementation as deep rooted cultures tends to resist change. Creating an organizational culture, which is fully harmonized with strategic plan, offers a strong challenge to the strategy implementer’s leadership abilities. Aosa (1992) observes that lack of compatibility between strategy and culture can lead to high organizational resistance to change and de-motivation, which can in turn frustrate the strategy implementation effort. Organizational politics is another challenge. Organization politics are tactics that strategic managers engage in to obtain and use power to influence organization goals and change strategy and structure to further their own interests (Hill and Jones, 1999). Wang (2000), states that it is important to overcome the resistance of powerful groups because they may regard the change caused by new strategy as a threat to their own power.
According to Aosa (1992), companies which maintain various links between strategy development and implementation are more successful in implementing strategy than those not maintaining such links. He further observes that companies experience various problems in implementing strategies which includes; implementation taking more time than was originally allocated; uncontrollable factors in the external environment having adverse impact on implementation; major obstacles surfacing during implementation that had not been identified before hand; competing activities and crisis distracting attention from implementing the strategic decision; key implementation tasks not being defined in enough details; inadequate resources and ineffective coordination of implementation activities.

1.1.2 Cooperative Movement in Kenya

The Cooperative Movement in Kenya may be traced to the period immediately after the country's independence. The movement is supposed to play an important role in wealth creation, food security and employment generation and hence participate in poverty alleviation. To date, there are over 11,200 registered cooperative societies country-wide. The membership is over 6.1 million and has mobilized domestic savings estimated at over Kshs. 125 billion. The cooperatives have employed over 300,000 people besides providing opportunities for self-employment. Indeed, a significant number of Kenyans, approximately 63% draw their livelihood either directly or indirectly from cooperative based enterprises (Republic of Kenya 2007; International Monetary Fund 2007; The Kenya High Commission in the United Kingdom 2007).
The policy objective of the Kenyan cooperative movement is to spur sustainable economic growth by focusing on achievement of desired outcomes through strengthening of the movement, improving cooperative extension service delivery, corporate governance, access to markets and marketing efficiency (International Monetary Fund 2007). The cooperatives have an immense potential to deliver goods and services in areas where both the public and the private sector have not ventured (Verma, 2004). In most cases cooperatives are local institutions that address “local needs”, employ “local talent” and are lead by “local leaders” either directly or through local branches. The Cooperatives in Kenya are organized into service and producer cooperatives. The producer cooperatives’ objectives are to promote the use of modern technology and contribute to national development through production. The service cooperatives are responsible for procurement, marketing and expansion service, loan disbursement, sale of consumer goods and member education.

1.1.3 Ritho Farmers Cooperative Society

The Cooperative Act revised 2004 defines a cooperative society as a form of business ownership that consists of a group of people who have joined together to perform a business function more efficiently than each individual could do alone. Cooperatives are governed by 7 principles which are, open and voluntary membership; autonomy and independence; democratic member control; Economic participation of members; education, information and training; cooperation among cooperatives and concern for community. A cooperative society therefore is an association of persons who have come
together with a common purpose of pooling their resources for mutual economic and social benefit.

Ritho is a Coffee Farmers Cooperative Society (FCS) located in Gatundu South District. The society was founded from the former giant defunct Gatundu coffee growers in the year 1995. It was registered in 1996 under the Cooperative Societies Act, registration CS/7389. Upon registration, there were 2300 members of which 2000 members were active. Currently it is operated by 2548 active members of whom 250 members are female and 2298 members are males. Ritho FCS comprises of two coffee factories namely; Handege and Wamuguma with the head offices located at Handege factory. Handege factory was constructed in the mid sixties and started its operations in the late 1967, while Wamuguma was constructed in early seventies and started its operations in December 1972. Both factories grow Arabica coffee at an average altitude of 1700 meters. Ritho farmers produce coffee in diversity with other crops like bananas and yams.

Globalization, trade liberalization, deregulation and changes in political and economic paradigms have led to major changes in the political, social and economic environments within which agricultural cooperatives operate. The decline of government assistance and growing competition globally are now forcing cooperatives to re-assess their performance and seek ways and means to improve their business efficiency. In view of this Ritho FCS has formulated and documented its five years strategic plan 2010/2014. The strategic plan address on strategies to promote high quality coffee where the society want to increase coffee quality from classes 4,5,6 and 7 to classes 2,3 and 4 by 2014. The plan will also
address coffee production by promoting high coffee production through use of good agricultural practices, increase capacity to operate, address good cooperate governance and increase the working capital.

1.2 Research Problem

Today, organizations operate under increasingly competitive and an ever changing environment. In order to survive and deliver services effectively, they require engaging in effective strategic management process. According to Kiruthi (2001), all organizations must grapple with the challenges of the changing environment in which they operate. While various organizations develop and/or formulate their strategies in various ways and processes each organization ends up with what is called a strategy. Strategy involves formulation and implementation but good strategies are only as good as they are successfully implemented. Common challenges in implementation include; unsupportive organizational structure and culture, resistance to change, implementation taking too long than anticipated, unsupportive processes and procedures, uncontrollable factors in the environment, major obstacles surfacing during implementation that were not anticipated beforehand, inadequate resources, inadequate training of staff and supporters of strategic decision leaving the organization during implementation. These challenges may be as a result of a number of factors such as lack of management goodwill, lack of adequate resources, middle managers not involved in formulation hence do not understand it.

Ndonga (2010) identified the challenges ranging from unsupportive culture, lack of good leadership, matching structure to strategy, lack of adequate resources, unsupportive communication systems and implementation taking more time than originally allocated. Whereas all these studies have been carried out there is no evidence of a study carried out on this subject in a farmer cooperative society. It is this gap that is the motivation for undertaking this research work.

Ritho FCS has developed its own strategic plan 2010/2014 which is on-going. This is the first strategic plan for the society. The society may be faced by various challenges in implementation of its strategies. The Society is expected by its members to implement its strategic plan promptly. This study has two research questions it seeks to answer which are to establish if Ritho FCS has faced any challenges in the implementation of its strategies and to determine intervention measures the society has put in place to deal with these challenges.

1.3 Objectives of the study

This study has two objectives:-

(i) To determine the challenges faced by Ritho FCS in their strategy implementation ; and

(ii) To establish how the society deals with the challenges faced in the implementation of its strategies.
1.4 Value of the study

The study will be important in that first, it is expected to enlighten the management of Ritho Farmers Cooperative Society in establishing strategy implementation challenges and the mechanisms of overcoming these challenges. This will eventually enhance strategic performance and serve as a source of reference for future strategies being formulated. The result will act as a guideline to Ritho in dealing with challenges of strategy implementation in the present and the future.

Other Farmers Cooperative Societies can borrow from this research to also implement their strategies and in identifying and dealing with strategy implementation challenges. To the academia and other researchers, the findings will serve as a data bank. The findings will add to the existing body of knowledge and will be useful to the academic researchers who seek to establish possible causes of failure of strategy at implementation level in other organizations. The research will also be useful to other stakeholders specifically shareholders and other interested parties like government, financiers, supporters and promoters of Agribusiness which may lead them to make informed decisions on the management of the farmers cooperative societies to enhance economic development.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction
Different scholars have done a wide range of research on strategy implementation and recorded their findings in books, journals, magazines and other research papers. In this chapter, such findings are quoted much related to concept of strategy, strategic management process, strategy implementation and challenges of strategy implementation.

2.2 Concept of Strategy
Strategy is the determination of the basic goals and objectives of an organization, the adoption of the courses of action and allocation of resources necessary to carry out the goals. It is a blue print of actions to be done in an organization arising out of the need to achieve certain organizational goals. Organizations, whether for profit or non-profit, private or public have found it necessary in recent years to engage in strategic management in order to achieve their corporate goals. The environments in which they operate have become not only increasingly uncertain but also more tightly interconnected (Machuki, 2005). This means that organization's managers are required to think strategically as never before, need to translate their insight into effective strategies to cope with their changed environments and to develop rationales necessary to lay the groundwork for adopting and implementing strategic plans in this ever changing environment. According to Pearce and Robinson (1997), in order for organization to achieve their goals and objectives, it is necessary for them to adjust to their environment.
Strategy is a unifying theme that gives coherence and direction to the actions and decisions of an organization. It guides an organization to superior performance by helping it establish competitive advantage (Grant 1998). Strategy acts as vehicle for communication and coordination within the organization. Strategy is a multidimensional concept that is hard to be defined in a few words. Strategy is a game plan that management has for positioning the company in its chosen market arena (Thompson and Strickland 1998, Anderson 1999). Grant (1998) sees strategy as a vehicle for communication and coordination within the organization. He states that strategy guides management decisions towards superior performance by establishing competitive advantage. This enables the company to compete successfully and please its customers while achieving good business performance.

Johnson and Scholes (2003) on the other hand see strategy as the direction and scope of an organization over a long term. They argue that strategy achieves advantage for the organization through its configuration of resources within the changing environment to meet the needs of the market, and fulfill stakeholder’s expectations. Chandler (1962) in his definition of strategy states that strategy is the determination of basic long term goals and objectives of the enterprise and adoption of course of action. Hence strategy helps in the allocation of resources necessary for carrying out those goals.

Strategy is a unifying part of a decision that helps in identifying purposes, goals, objectives and priorities of the organization. Strategy helps in defining the obligation of the organization to its stakeholders as well as defining its specific business in terms of
geographic scope. The success of any organization therefore depends on how well strategies are implemented to enable countering of challenges that are thrown by the environment (Johnson & Scholes 2003).

It is not enough just to formulate good strategies. A good strategy must be implemented and managed properly as desired to give good results. It has been stated that organizations are dependent on the environment and as such interact with the environment. They rely on the environment for their inputs and rely on the same environment to consume its services or products as output. The organization must therefore discharge the services or output that meet the needs of the environment. The external environment is always changing. The changes are usually very turbulent and full of surprises. The organization must therefore be flexible and be able to move with speed to counter these changes (Ansoff & McDonnell 1990).

2.3 Strategy Implementation

Strategy implementation is one of the components of strategic management and refers to a set of decisions and actions that result in the formulation and implementation of long-term plans designed to achieve organizational objectives (Pearce & Robinson, 1997). Its purpose is to complete the transition from strategic planning to strategic management by incorporating adopted strategies throughout the relevant system (Bryson, 1995). Strategy implementation is concerned with both planning on how the choice of strategy can be put into effect, and managing the changes required (Wang, 2000). Thompson and Strickland (2001) defined strategic management as a managerial process of forming a strategic
vision, setting objectives, crafting a strategy, implementing and executing the strategy and then overtime initiating whatever corrective adjustment in the vision, objectives, strategy and execution as deemed appropriate. Thus, strategic management has two phases namely; planning and implementation.

Planning is the exercise by which organizations determine what they want to achieve and how they could achieve it. Chandler (1962) defined strategic planning as determining the basic long-term objectives and the adoption of courses of action and allocation of resources necessary for carrying out those goals. Pearce and Robinson (1997), say that strategic planning examines the types of long-range objectives and specify the quality of objectives and must provide basis for direction and evaluation. They summarize and state that it is what a company does and how it actually positions itself commercially and conducts its competitive battles. Thus, it involves choosing how best to respond to the circumstances of a dynamic and sometimes hostile environment.

Strategy implementation is the second part of strategic management. Mintzberg (1978) defined strategy implementation as carrying out predetermined strategic plans. David (2001) states that, strategy implementation is an activity which focuses on efficiency in organizations. It is an operational process that requires special motivation and leadership skills; it requires good coordination among few individuals and managing forces during action. Implementation of strategy involves a series of activities which varies depending on various authors and researchers. Thompson and Strickland (2001) outline principal tasks of strategy implementation to include; building a capable organization, allocating
ample resources to strategy critical activities, establishing strategy supportive policies and procedures, instituting best practices and mechanisms for continuous improvement, relying on middle and lower level managers to get things done, installing support systems enabling personnel to carry out their strategic roles successfully, tying rewards and incentives tightly to achievement of key objectives, creating a strategy supportive culture and exerting strategic leadership.

Aosa (1992) observed that strategy implementation is likely to be successful when congruence is achieved between several elements, particularly organization structure, culture, resource allocation systems and leadership. Without this congruence major challenges are bound to arise in the process of strategy implementation. Organizations effective at strategy implementation successfully manage six strategy supporting factors: action planning, organization structure, human resources, annual business plans, monitoring and control, and linkage (Birnbaum, 2006). According to Parkinson (2005), the three strategy realization essential elements are motivational leadership turning strategy into action and performance management.

According to Aosa (1992), once strategies have been developed, they need to be implemented; they are of no value unless they are effectively translated into action. A brilliant strategy that cannot be implemented creates no value to the organization. Effective implementation begins during strategy formulation. Strategy implementation results when organization, resource and actions are tied to strategic priorities. Key
success factors should then be identified and aligned to performance measures and reporting (Koske, 2003).

An excellent implementation plan will not only cause the success of an appropriate strategy, but can also rescue an inappropriate strategy (Hunger and Wheelen, 1994). Aaltonen and Ikavalko (2001) argue that transforming strategies into action is a far more complex and difficult task. Implementation of strategy does not therefore automatically follow strategy formulation; it exhibits its own resistance, which can invalidate the planning efforts (Ansoff & McDonnell, 1990). Hrebiniak (2005) asserts that top executives are skilled at developing strategy, but setting plans in motion is where they fall down. Strategy implementation is therefore crucial to effective management (McCarthy et al, 1996). The problems of strategy implementation relate to situation or processes that are unique to a particular organization even though some problems are common to all organizations. The key decision makers should therefore pay regular attention to the implementation process in order to focus attention on any difficulties and on how to address them (Muthuiya, 2004).

2.4 Challenges of Strategy Implementation

Despite the fact that challenges to successful strategy implementation have not been widely investigated, there are some issues that have surfaced in many studies. Successful strategy formulation does not guarantee successful strategy implementation. It is always more difficult to do something, that is, strategy implementation, than to say you are going to do it, that is, strategy formulation (David, 1997). The transition from strategy
formulation to strategy implementation requires a shift in responsibility from strategists to divisional and functional managers. According to David (1997), implementation challenges can arise because of this shift in responsibility, especially if strategy formulation decisions come as a surprise to middle and lower level managers.

Thompson & Strickland (2001) state that strategy implementation challenge is to create a series of tight fits between strategy and the organizations competences; capabilities and structure, between strategy and budgetary allocation, between strategy and policy, between strategy and internal support system, between strategy and reward structure, and between strategy and corporate culture. The four “soft” S (Staff, Style, Shared values and Skills) are considered key to business success. The most important problem experienced in strategy implementation in many cases is the lack of sufficient communication. Aaltonen & Ikavalko (2001) state that the amount of strategic communication in most of the organizations is large, both written and oral communication is used, mostly in form of top down communications. However, a great amount of information does not guarantee understanding and there is still much to be done on the field of communicating strategies. According to Wang (2000), communication should be a two way so that it can provide information to improve understanding, responsibility and to motivate staff. Also, they argue that communication should not be seen as a once off activity focusing on announcing the strategy. It should be an ongoing activity throughout the implementation process. In many cases it is not so and therefore communication still remains a challenge to strategy implementation process.
Whilst the strategy should be chosen in a way that it fit the organization structure, the process of matching structure to strategy is complex (Byars et al, 1996). The structure that served the organization well at a certain size may not longer be appropriate for its new or planned size. The existing structures and processes in the organization support the current ways of doing things and if the strategy indicates that the organization need to behave in different ways there is likely to be problems should the existing structures be used to implement the changes (Campbell et al, 2002). The current structures may as well distort and dilute the intended strategy to the point where no discernable change takes place. According to McCarthy et al (1996), creating that structure and the attendance behavior changes is a formidable challenge. The fundamental challenge for managers is the selection of the organization structure and controls that will implement the chosen strategies effectively. According to Wang (2000), senior managers might leave too soon after the process has been started. When senior managers step out of the picture, after implementation begins, this undermines staffs commitment and enthusiasm for strategy. According to Wang, staff often distrust new strategy and prefer old and familiar situation. Staff attitudes and perspectives go a long way towards subverting the company’s plan.

Resource insufficiency is another common strategy implementation challenge. David (2003) argues that allocating resources to particular divisions and departments does not mean that strategies will be successfully implemented. This is because a number of factors commonly prohibit effective resource allocation. These includes overprotection of resources, too great emphasis on short-run financial criteria, organizational policies, vague strategy targets, reluctant to take risks, and lack of sufficient knowledge. Also
established organizations may experience changes in the business environment that can make a large part of their resource base redundant and unless they are able to dispose off those redundant resources, they may be unable to free up sufficient funds to invest in the new resources that are needed and their cost base will be too high (Johnson & Scholes, 2002).

Cultural impact underestimation is yet another challenge to strategy implementation. The implementation of a strategy often encounters rough going because of deep-rooted cultural biases. It causes resistance to implementation of new strategies especially in organizations with defender cultures. This is because they see change as threatening and tend to favour “continuity” and “security” (Wang, 2000). It is the strategy maker’s responsibility to choose a strategy that is compatible with the “sacred” or unchangeable parts of the prevailing corporate culture (Thompson & Strickland, 1989). Creating an organization culture, which is fully harmonized with strategic plan, offers a strong challenge to the strategy implementer’s administrative leadership abilities. Aosa (1992) observes that lack of compatibility between strategy and culture can lead to high organizational resistance to change and de-motivation, which can in turn frustrate the strategy implementation.

Changes do not implement themselves and it is only people that make them happen (Bryson, 1995). Selecting people for key positions by putting a strong management team with the right personal chemistry and mix of skills is one of the first strategy implementation steps (Thompson & Strickland 1998). Assembling a capable team, they
point out is one of the first cornerstones of the organization building task. Strategy implementation must determine the kind of core management team they need to execute the strategy and then find the right people to fill each slot. Staffing issues can involve hiring new people with new skills (Hunger & Wheelen, 2000). Bryson (1995) observes that people's intellect, creativity, skills, experience and commitment are necessary in creating order, culture, systems and structures that focuses and channels efforts towards effective implementation. However, selecting able people for key position remains a challenge to many organizations.

Resistance to change can also be considered the single greatest threat to successful strategy implementation. Strategic change is the movement of an organization from its present state towards some desired future state to increase its competitive advantage (Hill & Jones, 1999). The behavior of individuals ultimately determines the success or failure of organizational endeavors and top management concerned with strategy and its implementation must realize this (Mc Carthy et al, 1996). Change may result to conflict and resistance. People working in organizations sometimes resist such proposals and make strategy difficult to implement (Lynch, 2000). This may be due to result of anxiety to fear of economic loss, inconvenience, uncertainty and a break in normal social patterns (David, 2003).

Organizational politics, unavoidable aspects remains another key challenge in strategy implementation. Organization politics are tactics that strategic managers engage in to obtain and use power to influence organizational goals and change strategy and structure
to further their own interest (Hill & Jones, 1999). Wang (2000), states that it is important to overcome the resistance of powerful groups because they may regard the change caused by new strategy as a threat to their own power. Top level managers constantly come into conflict over what the correct policy decisions would be and power struggles and coalition building is a major part of strategic decision making. According to them, the challenge organization face is that the internal structure of power always lags behind changes in the environment because in general, the environment changes faster than the organization can respond.

Farmers Cooperative Societies have over the years faced many challenges which among others include fluctuation in world market prices, decline in production and quality, high costs of inputs, unpredictable weather conditions, and old processing technologies, poor returns to farmers and poor management and governance. The Government has instituted major policy reforms and interventions to revive the Farmers Cooperative Societies. Despite the positive change brought about by these reforms, a lot needs to be done to ensure optimal and sustainable productivity as well as attainment of maximum returns to the farmers.

2.5 Measures to Address the Challenges

Once strategies have been developed, they need to be implemented. Importantly, unless they are successfully implemented, the organization will not obtain desired results. Successful strategy implementation involves empowering others to act on doing all the things needed to put the strategy into place and to execute it proficiently (Thompson &
Strickland, 1998). Bryson (1995) states that the most important outcome that leaders, managers and planners should aim from successful strategy implementation is real value added through goal achievement and increased stakeholders satisfaction. More than ever before, organizations have realized that successful strategy implementation depends on various factors. Aosa (1992) observed that strategy implementation is likely to be successful when congruence is achieved between several elements of particular importance includes; organization structure, culture, resource allocation, systems and leadership (Aosa, 1992; Hunger & Wheelen, 1994).

According to Chandler’s research on strategy and structure (Chandler, 1962), organizational structure follows from the growth strategy scrutiny by the firm and organizations do not change their structures until they are provoked by inefficiency to do so. Chandler therefore suggests that as organizations change their growth strategy, new administrative problems arise that are solved when the organization structure is refashioned to fix the new strategy. Organizational structure plays a crucial role in defining how people relate to each other and in influencing the momentum of change (Clarke, 1994). The structure of an organization helps people pull together in their activities that promote effective strategy implementation. The structure of an organization should be compatible with the chosen strategy and if there is no congruence, adjustments will be necessary either for the structure or for the strategy itself (Koske, 2003).

Aosa (1992) stated that it is important that the culture of an organization be compatible with the strategy being implemented because where there is incompatibility between
strategy and culture, it can lead to a high organizational resistance to change and de-
motivation which in turn can frustrate the strategy implementation effort. However, when
culture influences the actions of the employees to support current strategy,
implementation is strengthened. According to Thompson & Strickland (1989), it is the
strategy implementer's task to bring the corporate culture into alignment with the strategy
and keep it there once a strategy is chosen.

It is important to align strategy with organization resources. Organizations have at least
four types of resources that can be used to achieve desired objectives namely; financial
resources, physical resources, human resources and technological resources (David,
2003). Once a strategic option has been settled upon (in the strategic selection stage)
management attention turns to evaluating the resource implications of the strategy
(Campbell et al, 2002). The operating level must have the resources needed to carry out
each part of the strategic plan (Harvey, 1998). It should therefore be possible to
implement strategies with the resources available and it is not possible to implement a
strategy which requires more resources than can be made available. According to
Aaltonen & Ikavalko (2001), linking organizational goal setting systems is very essential
in strategy implementation. Systems means all the procedures, formal and informal, that
make the organization go day by day and year by year; capital budgeting systems,
training systems, cost accounting procedures, and budgeting systems (Mintzberg &
Quinn, 1991). Organizational structures specify the allocation of responsibilities for
specific tasks. These activities need to be carried out efficiently because they reinforce
the implementation of strategy. The leadership of the organization should be at the
forefront in providing vision, initiative, motivation and inspiration. The management should cultivate team spirit and act as a catalyst in the whole strategy implementation process. As much as possible, the leadership of the organization should fill relevant positions with qualified people committed to the change efforts (Bryson, 1995). Leadership is needed for effective implementation of strategy, as this will ensure that the organization effort is united and directed towards achievement of its goals (Pearce & Robinson, 1988). According to Koske (2003), leadership is considered to be one of the most important elements affecting organizational performance.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter contains the research methodology used for the study. The research design, data collection and analysis methods are elaborated.

3.2 Research Design

The study was conducted through a case study research design. Kithara (1990) defined a case study as a very powerful form of qualitative analysis and involves a careful and complete observation of a social unit, which may be a person, family, an institution, a cultural group or an entire community. Case study deals with depth rather than breath of issues. In this particular research the case study gives in-depth account of the challenges encountered by Ritho FCS during strategy implementation and how it has been responding to them. The research design has been successfully used by other researchers carrying out similar studies (Koske, 2003; Muthuiya, 2004; Machuki, 2005).

3.3 Data Collection

The study used both primary and secondary data to obtain information on challenges of strategy implementation and remedial actions taken to deal with the challenges. Primary data was collected by the use of an interview guide addressing different issues on challenges to strategy implementation. The researcher personally interviewed the interviewees so as to have an opportunity to clarify issues arising during the interview and also gain any new information. All the top management of Ritho FCS was interviewed and they included Chairman, Vice-Chairman, Secretary, Treasurer,
Committee member, Factory Manager-Handege, Factory Manager-Wamuguma, and the Accountant.

The researcher also used any available information from the secondary sources which included the documented strategic plan 2010/2014, documented society policies and procedures, guidelines, by-laws and working manuals. This was to help the researcher to add on the information from the primary data. The information from the secondary sources was also helpful in scrutinizing the responses from the interviewees.

3.4 Data Analysis

Data collected was analyzed using content analysis. The approach allows meaning to be extracted from the information collected, and compared with the theoretical approaches and documentations cited in the literature review. The method was appropriate because most of the information collected was qualitative in nature; meaning it required analytical understanding of the data.

Similar approach was used by Machuki (2005) when carrying out research on challenges to strategy implementation at CMC Motors Group Limited. The content of the data collected was examined critically to help in drawing conclusions. The conclusions were generalization on the subject of the study and drew heavily from information on challenges of strategy implementation at Ritho Farmers Cooperative Society. Data obtained from the board members was compared against each other in order to get more revelations on the issue under study.


CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The study intended to achieve two objectives; to determine the challenges faced by Ritho FCS in their strategy implementation and to establish the measures taken by the society to cope or mitigate the impact of these challenges to the strategy implementation. The study employed a case study research design to bring a clear and an in-depth understanding of the objectives. With the study objectives in mind, an interview was conducted to 8 top management team of Ritho FCS who are engaged in strategy implementation. This was carried out with the assistance of an interview guide and their responses were captured for a more detailed content analysis. Probing was also used to exhaust the required information when administering the interview guide. The researcher also relied on available secondary data from the society documented strategic plan 2010/2014, working manuals, by-laws, guidelines and policies and procedures.

The study established main challenges faced by Ritho FCS in their strategies implementation as poor communication, inadequate financial resources, leadership, Organization policies and procedures, governance, unpredictable climatic change, and unsound reward system. Other challenges included government policies and procedure, implementers of strategy leaving the Society before implementation, organization politics and marketing. This chapter will discuss the strategy implementation in Ritho FCS, challenges of strategy implementation at Ritho and finally the measures that the society is taking to cope with the challenges.
4.2. Strategy Implementation at Ritho FCS

Successful strategy implementation process includes executing certain managerial roles which include; building an organization with competences, capabilities and resource strengths to execute strategy successfully. Marshalling sufficient resources behind the drive for strategy execution; instituting policies and procedures that facilitate rather than impede strategy execution; adopting best practices and pushing for continuous improvement in how value chain activities are performed; installing information and operating systems that enable society personnel to carry out their strategic roles proficiently; tying rewards directly to the achievement of strategic goals; instilling a corporate culture that promotes good strategy execution; and finally exercising strong leadership to drive implementation. The strategic intent of Ritho FCS plan for the period 2010/2014 was formulated to provide a road map for progress from the position the society was in during the year 2010 to the ideal planned position in 2014. The strategic plan laid down six main goals and set of objectives to be met within the planning period. These goals include; to promote high quality coffee through an increase on coffee quality from classes 4, 5, 6 and 7 to classes 2, 3 and 4 by 2014; promote high coffee production from 800,000 kg to 3,000,000kg by 2014; increase awareness to the members, the board and the staff to 100%; increase capacity to operate by 60%; uphold good corporate governance and increase working capital by 40% by 2014.

In order to achieve the planned change, Ritho FCS has been undergoing transformation by way of trainings, exchange visits and revitalization in the manner in which it conducts business with considerable emphasis being placed on meeting the expected objectives.
The Society has laid down various activities to be carried out to enhance the achievement of the six goals which include; training on coffee husbandry through a coffee calendar; start demonstration plots; initiate a revolving fund for farmers to buy firm inputs, provide incentives to farmers; train on governance; engage environmental best practices and embrace modern processing technology.

4.3. Challenges of Strategy Implementation at Ritho FCS

Organizations face difficulties while implementing their strategies for different reasons ranging from weak management roles in implementation, lack of knowledge and communication to guide their actions; unawareness or misunderstanding of the strategy; poor coordination; inadequate capabilities; competing activities within the working teams misaligned operations; insufficient monitoring and evaluation, implementers of strategy leaving organization before implementation among others. The particular challenge that will face strategy implementation will depend on the type of strategy, type of the organization and prevailing circumstances. Ritho FCS, just like any other organization has been faced with numerous challenges arising from both internal and external factors.

4.3.1 Introduction

The study established that despite Ritho FCS having a well formulated strategic plan, the society has experienced difficulties in the implementation process. This section will discuss the result findings on these challenges as obtained from the study conducted.
4.3.2 Communication

According to factors considered successful to strategy implementation, it was established that effective communications play important roles in the process of strategy implementation. Ideally communication is supposed to flow in three directions, downwards, upwards and lateral. However, this is not the case at Ritho since one channel of communication is used (top-down) and the rest ignored. This means that staff at lower levels cannot communicate their ideas, suggestions and comments on important strategic issues. There is no team work as the board operates as "lone rangers" without any cooperation between them and other staff who are also engaged in strategy implementation. More so, the implementation process was revealed as not inclusive of all the management staff thus lacking ownership and hence impeding strategy implementation. This had led to existence of gaps between top management and other staff who are implementing strategies due to misunderstanding in the whole process. The study revealed that the board rarely communicates the achievements it has made to the implementation of the strategic plan.

4.3.3 Financial Resources

Allocation of adequate financial resources to various strategies is critical in successful strategy implementation process as it helps in meeting members expectations. The study findings revealed that the society has over time been faced with inadequate financial resources. This is because the society depends on the 20% retention on coffee gross sales as stipulated by the government policies. The study revealed that the society has no other income generating activities to meet its operational cost. Hence when the production is
low the Society is not able to retain enough funds to meet all budgeted plans. Inadequate funds results in haphazard allocation and not to areas of priority. The society currently does not intend to borrow loans to facilitate its operation as it require members approval at the Annual General Meeting whom are hesitant as they already have other loans that they are awaiting the waiver from the government. The majority of strategies to be implemented lag behind at the end of set timeliness for execution. This coupled with failure to prioritize implementation of the strategies has led to misallocation of the financial resources to strategy implementation hence failure by the society to achieve its objectives.

4.3.4 Leadership

Leadership is needed for effective implementation of strategy, as this will ensure that the organization effort is united and directed towards achievement of its goals. The leadership of the organization should be at the forefront in providing vision, initiative, motivation and inspiration. The management should cultivate team spirit and act as a catalyst in the whole strategy implementation process. The study revealed that the choice of the top management team to oversee strategy implementation is not based on one’s skills, competence and capabilities but at the discretion of the Board Members vested interests. Despite the fact that the responsibilities of all activities as documented in the strategic plan are allocated to various top management there are instances where the leaders of the implementation interfere with the roles of others. This has led the strategic plan to be taken by other top management as ‘their plan’ hence delaying the implementation process. The study also revealed differences in the personalities among
the top management where one has to gang up for support if you want to overshadow your opponent ideas during the management meetings. This has resulted in organization politics where only those able to play politics and have enough powers to influence others are able to control the implementation process.

4.3.5 Organizational Policies and Procedures at Ritho FCS

Success in strategy implementation is initiated by identifying measurable, mutually determined annual objectives and developing specific functional strategies. Any organization should ensure that policies and procedures facilitate rather than impede effective strategy implementation. From the study, Ritho FCS has developed policies and procedure for implementation of strategies but they lack harmony. Lack of ‘ownership’ of those policies has been key impediment in strategy implementation. The policies are also not clear to the staffs who are supposed to implement them. For instance, the Ritho FCS strategic plan from where all top managers are supposed to drive their work plans and targets is not followed strictly thus impeding strategy implementation process. Human resource policies on staff leave clearly stipulate 21 days annual leave for all permanent staff. The study revealed that this policy is not followed and double standards are applied to some staff that goes for 30 days annual leave.

4.3.6 Governance

Corporate governance is defined as the system by which a corporation is directed, controlled and held to account for the manner in which power is exercised in the stewardship of its assets and resources, to increase and sustain shareholder value and
satisfy the needs and interests of all stakeholders (Cadbury, 2000). The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation such as the board, managers, shareholders and other stakeholders and spells out the rules and procedures for making decisions on the firm’s affairs. The principles of corporate governance cover the rights of owners, the equitable treatment of shareholders, the role of stakeholders, disclosure and transparency and the responsibilities of the board (OECD, 2004).

The study revealed governance challenges as a hindrance to strategy implementation at Ritho. The documented Ritho FCS policies and procedures manual highlighted the responsibilities of the Board as exercising integrity, transparency and open leadership, be effective/efficient and act in the best interest of members. There were revelations that not all board members are up to the task of effective accountability and transparency as a result of personal vested interests. The study also revealed that the way the board members are elected is questionable and not based on standard as some members had great influence than others. As a result this jeopardized accountability and implementation of the society strategies. The study also revealed that some board members are not acting in the best interests of their members as they have been inciting the members not to attend trainings held by the partnered stakeholders.

4.3.7 Climate Change

The green house gas emission as a result of human activities has contributed to an unfavorable survival climate for the coffee trees. The study revealed that despite one of
the key objective of Ritho FCS of increasing production capacity unpredictable climatic change has been a major challenge in implementation of its strategies. With rising temperatures as a result of the global warming, flower setting is adversely affected reducing on the yield while coffee berries grow and ripen more quickly leading to a fall in inherent quality. High temperatures have also led to proliferation of pests and diseases like berry borer and coffee leaf rust among others. The operations of the society depend on the production capacity which has slightly improved over the past years. Due to the effect of climate change the society is not able to make a conclusive plan on its operations hence a challenge to strategy implementation.

4.3.8 Unsound Reward System

Tying rewards and incentives to the achievements of performance objectives is a key factor in good strategy implementation. This entails motivating people to pursue the target objectives, energetically and if need be modifying their duties and job behavior to better fit the requirements of successful strategy execution. The study findings revealed that Ritho has no performance incentives to reward those who excel in strategy implementation. Lack of incentives has led to reduced creativity and innovation of new ideas.

4.4. Measures Taken by Ritho FCS to Mitigate the Challenges

Strategy findings revealed that Ritho has put in place minimal interventions to address the challenges identified above. The government of Kenya through the Ministry of Cooperative issued guidelines for societies to develop strategic plans to guide their
strategic direction and the formulation and implementation of their long term goals and objectives. The society responded by developing its strategic plan 2010/2014 which give strategic direction on long term goals and objectives. This is a major milestone towards good strategy implementation.

The Board has put in place training and development programmes to provide its staff with newer and emerging skills in their roles. The Society has partnered with Organizations such as TechnoServe Coffee Initiative which has offered numerous trainings. These trainings include strategic planning, quality control, machine operations book keeping, cost analysis for the management and roles and responsibilities. Ritho Farmers have also benefitted from the same organization on agronomy training which advocates for Good Agricultural Practices. The Board has organized several exchange visits with other Cooperative Societies with an aim of learning best practices and sharing how to overcome challenges.

In order to ensure continuity of good leadership the society uses the succession planning where it develops those in management with leadership skills. The society is also in the process of developing a website to enhance modern communication and mitigate the marketing challenges. To address on inadequacy of financial resources the society has embraced cost cutting measures to optimize the available resources. To encourage team work, the society has identified key stakeholders who can assist in strategy implementation process. These are TechnoServe Coffee Initiative, Coffee Management Services, and Coffee Research Foundation. These stakeholders have been in forefront
advocating for good corporate governance practices in the society, good coffee management and sustainable production of high quality. The society is also fighting the global warming by advocating planting of shade trees in the coffee farms, planting blue grass for mulching and establishing water harvesting basins within coffee rows to harvest rain water and curb soil erosion.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This section of research provides a discussion on the findings of the research, the conclusions of the study and the recommendations on challenges of strategy implementation at Ritho FCS.

5.2 Summary

Strategy implementation is concerned with planning how the chosen strategy would be put in action and effective management of both deliberate and emergent changes. The implementation is usually the most difficult phase in the strategy implementation process and is often faced with numerous challenges. The objectives of this study were to determine the challenges faced by Ritho FCS during strategy implementation and to establish measures taken to mitigate these challenges. The findings regarding these objectives are summarized, discussed and conclusions drawn as presented below in the order of objectives. The findings were consistent with other research findings by Aaltonen and Ikavalko (2001), Koske (2003), Muthuiya (2004) and Machuki (2005).

5.2.1 Strategy Implementation Challenges

The first objective was to determine the strategy implementation challenges encountered by the society. In order to achieve this objective, interviewer used an interview guide with a list of challenges identified during literature review as common impediments to
the successful implementation of strategy. The intention was to enable the interviewer determine whether these challenges apply to Farmers Cooperative Societies specifically Ritho FCS. Using the guide, the interviewer managed to probe and get additional information that was either not available in the literature review or which existed but in a different dimension. The researcher also relied on any useful information from the secondary sources which included strategic plan 2010/2014, policies and procedures, by-laws and working manuals that enriched the research findings.

The findings of the study indicated that communication process in the society regarding support of the strategy implementation was inadequate. The respondents agreed that they were aware of the strategic plan but do not understand it fully. Some members claimed that their roles were short changed by others hence lack of enthusiasm in the implementation and ownership. The study findings further revealed that the society has over time been faced with inadequate financial resources. The society did not have other income generating activities to help meet their operational cost. The allocation of these funds is not prioritized to key areas of strategy implementation.

The appointment of the top management team to oversee strategy implementation is not based on one’s skills, competence and capabilities but at the discretion of the Board Members vested interests. There were differences in the personalities and infighting among the top management hence delaying the strategy implementation process. There was no ownership of the society’s policies and procedures to enable effective implementation of its strategic objectives. The policies were also not clear to the staff
members. Further, there were revelations that some board members were not accountable and transparent due to personal vested interests. This led to governance challenges in implementing the strategies.

Unpredictable climatic change has led to reduced production yields and proliferation of pests and diseases hence hampering effective strategic decision making. Ritho FCS has no performance incentives to reward those who excel in strategy implementation. This has led to reduced creativity and innovation as staffs are demotivated. The study revealed government policies as a challenge to strategy implementation. For example the Cooperative Rules and Regulations (2006) by the Ministry of Cooperative Development and Marketing (MCD & M) which stipulates all Cooperative Boards of Directors should not hold office for more than two consecutive terms of three years each. This turnover of Board of Directors affects continuity focus and commitment in achieving full potential of strategy implementation.

In conclusion based on the above findings, Ritho FCS like any other organization is also exposed to challenges during its strategy implementation process. These challenges can affect the long term direction of the Society to an extent of failing to achieve the strategic objectives. Each of the challenges identified have a part to play in hindering the success of strategy implementation. To be proactive in organization management, the strategic leader should seek to detect and identify possible challenges even before they affect the organization strategies and apply the right measures. The findings of this research on challenges encountered are well aligned to previous studies which confirm that
implementation challenges cut across all industries whether private, public, profit or non-profit making and what differ are the degree of impact and the extent of each challenge due to nature of the organization.

5.2.2 Measures to Cope with the Challenges

The second objective of the study was to establish how the society deals with the challenges faced in the implementation of its strategies. The results shows that the main strategies used include; Management, Staff and Farmers trainings; Use of exchange visits; Succession planning; Cost cutting measures; Partnering with other stakeholders in the coffee industry. In conclusion it is clear from the findings of this study that for any organization to survive the turbulent environment, it must invest in putting in place necessary effort to respond to the changes in the environment.

5.3 Recommendations

The most important thing when implementing a strategy is the tops management’s commitment to the strategic direction. Top managers must demonstrate their willingness to give energy and commitment to the implementation process. To successfully improve the overall probability that the strategy is implemented as intended, senior executives must abandon the individual vested interests and be good ambassadors of strategy implementation.

The second most important thing to understand is that strategy implementation is not a top-down communication approach. It is recommendable that an organization institutes a
two-way communication program that permits and solicits questions from employees about issues regarding the formulated strategies. In addition to soliciting questions and feedback, the communications should tell employees about the tasks and activities to be performed. It is also important to communicate information about organizational developments to all employees in a timely manner.

Thirdly, one of the reasons why strategy implementation processes frequently result in difficult and complex problems or even fail at all is the vagueness of the assignment of responsibilities. To avoid power struggles among employees, it is important that the allocated assignments and responsibilities regarding detailed implementation activities are followed. This will ensure that responsibilities are clear and potential problems are avoided. It is important to note that teamwork plays an important role in strategy implementation. The top management should be in the forefront encouraging teamwork rather than engaging in unhealthy infightings. Differences in personality can result in serious inconsistencies in how strategies are understood and acted on.

Fourthly, the researcher recommends an introduction of rewards and recognition policy and these should be specific to achievement of the strategic tasks. It is also recommendable that the Society embraces information and communication technology to provide real time information. The society should use its certification status to market its coffee in the website. Finally, the researcher recommends that the Board should sign performance contract with the members at the beginning of each crop year, and evaluations done yearly on their performance.
5.4 Limitations of the Study
The Chairman and the Vice-Chairman were not willing to disclose some of the information which they termed as confidential based on the privacy policy of the society. The researcher had to be cautious not to appear to be getting information to give to government officials by making the respondents understand that it was an academic research project. The study was also covered within a period of three and half months and due to time constraints, the study only confined itself to challenges of strategy implementation at Ritho FCS. Other aspects of strategic management process were ignored such as formulation and evaluation.

5.5 Suggestion for Further Research
Research is one of the central areas in the development and sustainability of knowledge. Without it, the role of that knowledge will be rendered obsolete due to the ever-emerging challenges resulting from the turbulent environment. The most critical phase of strategic management process is translating strategic thought into organizational action. Once strategies have been formulated, they need to be implemented and without successful implementation, the vision of the organization can never be realized. According to this study, it has been revealed in the literature review that most of well formulated strategies fail at the implementation stage. In this regard similar studies of strategy implementation challenges should be studied in other Farmers Cooperative Societies.
5.6 Implications on Policy and Practice

This research has shed light on the challenges Ritho FCS is facing in implementation of the strategies. Implementation of strategic plans obviously will have a significant impact on individuals and groups in the organizations concerned. Some implications of the implementation would mean some people in the organization will feel threatened when a strategic plan is put into practice. People tend to resist change because of a perceived threat real or imaginary to their existing norms and values. Some people may view an anticipated change to strategic ideas as threatening their status and positions and hence reject it. Others, on the other hand, especially those who identify with the management, may view it as enhancing and embrace it. This is because change typically involves risk and fear.
REFERENCES


APPENDICES

Appendix 1: Interview Guide

Interviewee Name ............................................................................................................
Position..........................................................................................................................

1. How many years have you worked at Ritho Farmers Cooperative Society?
2. Do you know the vision and mission statements of Ritho FCS?
3. What is your main responsibility in the organization?
4. Are you fully engaged in the strategy implementation process?
5. What is the general attitude of other top management to the strategic plan? Do they have adequate information on their roles in the implementation?
6. How would you describe the support of the management staff in terms of their skills towards enabling successful strategy implementation?
7. Do you consider insufficient communication about the strategic changes as a hindrance to implementation of strategies in the organization? What measures has the organization taken to deal with it?
8. Is the senior management team of the Society in the forefront in providing leadership to enable strategy implementation? (Probe)
9. Does the Society have a training program for its employees and farmers? How is this program geared towards strategy implementation? (Probe)
10. Is the inadequacy of resources such as funds, facilities, human resource, skills and experiences affecting adversely efforts to implement strategies? Comment on measures taken to mitigate the impact of the above problems.
11. What is your general comment on overall resource mobilization in terms of access to and utilization of the resources to enhance implementation of strategies?
12. Does the Society maintain financial management systems to ensure proper utilization of funds, accountability, financial monitoring, and efficient reporting, all geared towards strategy implementation? Comment briefly on how each of these aspects is ensured.
13. Do you think that the way strategies and structures are matched in the organization could interfere with successful implementation?
14. What is your general comment on the organization culture? Does it support implementation?

15. Is the issue of organization politics a challenge to strategy implementation? Explain.

16. Does the Society have a performance appraisal system? How does the system (if any) support strategy implementation?

17. To what extent is strategy implementation affected by;-
   a) The key formulators of the strategic plans not playing an active role in implementation?
   b) Overall goals not sufficiently understood by employees?
   c) Formulators and supporters of strategic plans leaving the organization before implementation?

18. Would you consider the key implementation tasks and activities not sufficiently defined? How are these factors a challenge to implementation? (Probe)

19. In your opinion would you say that the existing policies (guidelines, procedures, rules, manuals and administrative practices) pose any challenge in facilitating strategy implementation? Explain

20. Are there any uncontrollable factors in the external environment that have adverse impact on strategy implementation? Explain

21. Are there any other challenges Ritho FCS is facing in the implementation of strategies? Explain

22. What is Ritho FCS doing to cope with the challenges you have described (Probe fully).
Appendix 11: Authority Letter

Faith Njeri Kweri  
P.O Box 10640-00400  
Nairobi  
23rd September 2011

The Chairman  
Ritho Farmers Cooperative Society Limited  
P.O Box 685-01030  
Gatundu

Dear Sir,

**RE: AUTHORITY TO COLLECT DATA**

I am currently pursuing Master of Business Administration (Strategic Management Option) at University of Nairobi. One of the requirements to be awarded the above Degree is to carry out a research project on your area of specialization. I have chosen to research on the Challenges of Strategy Implementation at Ritho Farmers Cooperative Society. I therefore wish to seek your permission to collect relevant data through interview method.

Attached is an introduction letter from the University of Nairobi for ease of reference.

Thanks in advance,

Yours Faithfully

Faith Njeri Kweri
TO WHOM IT MAY CONCERN

The bearer of this letter, Faith Jeri Kweki, Registration No. 6178971/2009, is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

JUSTINE MAGUTU
ASSISTANT REGISTRAR
MBA OFFICE, AMBANK HOUSE