LEADERSHIP AND STRATEGY IMPLEMENTATION AT THE EAST AFRICAN PORTLAND CEMENT COMPANY

BY

JOAN TOIRE

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

NOVEMBER, 2017

DECLARATION

I declare that this research project is my original work and has not been presented for degree in any other university.

Sign: …………………………………….. Date: …………………………

JOAN TOIRE

D61/63832/2011

This research project has been submitted for examination with my approval as university supervisor

Sign: ………………………………… Date: ………………………….

Prof. EVANS AOSA,

SCHOOL OF BUSINESS,

UNIVERSITY OF NAIROBI.

ACKNOWLEDGEMENTS

DEDICATION

I dedicate this project to my beloved family whose emotional, financial support and sacrifice could not be under estimated. I also dedicate it to my parents for their moral support as it is them who laid the foundation of my education.

TABLE OF CONTENTS

LIST OF ABRREVIATIONS

CEO   Chief Executive Officer

EAPCC East African Portland Cement Company

ERP   Enterprise Resource Planning

ISO   International Organization for Standardization

KPI   Key Performance Indicators

NSE   Nairobi Securities Exchange

TPM   Total Productive Maintenance

KNBS   Kenya National Bureau of Statistics

ABSTRACT

Implementing corporate strategy requires a team effort headed by the organization's leadership team. Effective leadership involves a lot of management, managing the people processes in the organisation so that people can align themselves to the strategy. Effective leadership is required for developing appropriate organizational climate in the organization. The research objective of the study was to determine influence of leadership on strategy implementation at the East African Portland Cement Company. The research design used was a case study since the unit of analysis was one organization (EAPCC). The study collected primary data through use of an interview guide. The data was collected from approximately 10 management staff of EAPCC located in Athi River, who included the senior management and the departmental heads. The interview guide was deemed fit for the study since it facilitated in-depth research which yields richest data, details, and new insights. The data collected for this study was qualitative data and was analyzed through content analysis. The qualitatively analyzed data was presented in prose. The study found out that the emergence of new players had increased competition threatening the market position and profitability of EAPCC, which prompted the company to develop strategies to increase its market share, performance, and the subsequent competitiveness of the company. The strategies developed by the company include: restructuring, culture change, diversification, workers' productivity, cost cutting strategies, use of technology, marketing strategies among others. The study found out that the strategies developed by EAPCC were specific, measurable, attainable, realistic, and time-bound. Majority of the respondents indicated that the strategies were specific, measurable, attainable, realistic, and time-bound since they covered a period of 5 years and were measured on an annual basis. The top management was involved in initial phases but failed to follow through and ensure that the strategies were owned up, adopted, and implemented fully. There was also inadequate cascading of the strategies and lack of proper follow up on their implementation. There was lack of clear road map on how to adopt and implement the strategies and some strategies were not very practical hence difficult to implement. The study concludes that top management of EAPCC was not fully committed to implementation of strategies. The implementation was not followed to the letter. The study concludes that the communication of the strategies being implemented by the leadership of EAPCC was not adequate. Though there was communication through training to cascade the strategies through departments; only the top level employees were well informed but shop floor staff did not know the organizations strategies. The study concludes that there are challenges that EAPCC experienced in the implementation of its strategies. These challenges include lack of adequate resources/financial constraints, inadequate cascading of the strategies, lack of proper follow up on their implementation, political/government interference, community interference, lack of team work, lack of commitment and resistance to change. The study recommends that the leadership of EAPCC should allocate and provide more resources to support strategy implementation. There is also need for the leadership of the company to ensure adequate communication on the company's strategies.

CHAPTER ONE: INTRODUCTION

1.1 Background of Study

Organizations are facing exciting and dynamic challenges in the 21st century. In the globalized business, companies require strategic thinking and only by evolving good corporate strategies can they become strategically competitive. Strategic management is viewed as the set of decisions and actions that result in the formulation, implementation and control of plans designed to achieve an organisation's vision, mission, strategy and strategic objectives within the business environment in which it operates (Pearce & Robinson, 2007). Strategy implementation is an integral component of the strategic management process and is viewed as the process that turns the formulated strategy into a series of actions and then results to ensure that the vision, mission, strategy and strategic objectives of the organisation are successfully achieved as planned (Thompson & Strickland, 2003). Leadership, and specifically strategic leadership, is widely described as one of the key drivers of effective strategy implementation (Pearce & Robinson, 2007). However, lack of leadership, and specifically strategic leadership by the top management of the organisation, has been identified as one of the major barriers to effective strategy implementation (Hrebiniak, 2005).

Leadership Trait Theory seeks to identify the personality traits associated with being a leader. The main issue with trait theory is that there is no accepted set of traits that can be linked to effective leadership. A more

current perspective on trait theory is that everyone has varying levels of necessary leadership traits, and it is how one uses them that matters. The sense today is more that leaders can be developed; they are not just born (Bolden *et al.,* 2003). Kirkpatrick and Locke (1991) identified the following wider trait components of leadership: drive, integrity, self-confidence and emotional maturity. The trait theory of leadership focuses on analyzing mental, physical and social characteristic in order to gain more understanding of what is the characteristic or the combination of characteristics that are common among leaders. On the other hand, Transformational Leadership theory states that this process is by which a person interacts with others and is able to create a solid relationship that results in a high percentage of trust, that will later result in an increase of motivation, both intrinsic and extrinsic, in both leaders and followers (Gronn, 1995). The goal of transformational leadership is to 'transform' people and organisations in a literal sense – to change them in mind and heart; enlarge vision, insight, and understanding; clarify purposes; make behaviour congruent with beliefs, principles, or values; and bring about changes that are permanent, self-perpetuating, and momentum building (Bolden *et al.,* 2003).

Cement demand in Kenya has increased lately. East African Portland Cement Company (EAPCC) is one of the major companies and it controls about 24% of the market share in the industry (KNBS Economic Survey, 2015). With the number of players increasing in the industry, competition has been heightened. This calls for the firms in the cement industry to devise ways to enable them stay competitive (Onyango, 2011). EAPCC for

example is under pressure to meet the demands of all its stakeholders: For instance, customers expect good quality products at a fair price. As a result, the company is implementing number strategies through recovery strategy's programme included in the 2011-2016 strategic plan.

1.1.1 Concept of Leadership

Leadership is a process that transforms organization into successful organization by proper strategies. It is the responsibility of leadership to motivate and inspire the peoples in the organization to work jointly so that organization's vision can be translated into reality. Mostly in the organizations efficient leaders perform the common tasks in the strategy making and executing process. They develop a strategic vision and mission, sets goals and objectives, craft the strategies, execute it and then evaluate the performance (Azhar, Ikram, Rashid & Saqib, 2012). According to Robbins et al. (2010) leadership is the ability to influence a group toward the achievement of a vision or a set of goals. On the other hand, Daft and Lane (2008) views leadership as the ability to influence people toward the attainment of organisational goals. However, Robbins et al. (2010) distinguishes the leadership role from the managerial role, stating that managers merely use the authority inherent in formal positions to obtain compliance from organisational members. An effective manager will however have to possess and utilise significant leadership ability.

On the other hand, strategic leadership is defined as the leader's ability to anticipate, envision, and maintain flexibility and to empower others to

create strategic change as necessary (Hitt, Ireland & Hoskisson, 2007). Strategic leadership is multifunctional, involves managing through others, and helps organisations cope with change that seems to be increasing exponentially in today's globalised business environment. Strategic leadership requires the ability to accommodate and integrate both the internal and external business environment of the organisation, and to manage and engage in complex information processing (Jooste & Fourie, 2009). Leadership in this study entailed the managing director and head of departments.

1.1.2 Strategy Implementation

Strategy implementation is the translation of chosen strategy into organizational action so as to achieve strategic goals and objectives (Thompson & Strickland, 2003). It is the manner in which an organization should develop, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and a better performance (Mohamad, 2011). Strategy implementation is also defined as the manner in which an organization should develop, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and a better performance (Pearce & Robinson, 2007).

Strategy implementation is the stage that turns strategies and plans into actions by proper resource allocation to support the chosen strategies in order to accomplish strategic objectives and goals. It is critical to a company's success, addressing the who, where,

when, and how of reaching the desired goals and objectives. The first stage being strategy formulation involves establishing the organization's mission, objectives, and choosing the most appropriate course of action to achieve its defined goals. This process is essential to an organization's success, because it provides a framework for the actions that will lead to the anticipated results (Wheelen & Hunger, 2012).

In the past, strategy formulation was regarded as the most important component of the strategic management process. However, recent research indicates that strategy implementation, rather than strategy formulation is a key requirement for great business performance Strategy implementation is only successful when it is backed by effective leadership (Jooste & Fourie, 2009). Hrebiniak (2005) reported that although formulating a consistent strategy and making it work is fairly easy, implementing it throughout the organization is even more difficult. Allio (2005) also concluded from an economist survey of senior operating executives that a discouraging percentage of firms were unsuccessful at executing strategic initiatives.

1.1.3 Leadership and Strategy Implementation

In recent years, the attention of leadership scholars has shifted to top executives who are in a position to exert a strong influence on the strategy and performance of organisations (Sosik *et al.,* 2005). Leadership has significant impact on strategic management process in that it provides the base line for strategic thinking and vision that directs the organization towards strategy formulation whereby leadership's main focus is to achieve its

intended vision by execution of formulated strategies. Leaders in all organizations are aware of the need to strategically plan the future of their organizations as well as to partake in the effective implementation of the laid down strategies (Lear, 2012).

Strategy implementation process involves allocating resources to support the chosen strategies. This process includes the various management activities that are necessary to put strategy in motion, institute strategic controls that monitor progress, and ultimately achieve organizational goals (Bartol *et al.,* 2003). Several identifiable actions characterise strategic leadership that positively contributes to effective strategy implementation, these are: determining strategic direction, establishing balanced organizational controls, effectively managing the organization's resource portfolio, sustaining an effective organizational culture, and emphasizing ethical practices (Hitt et al. 2007).

Strategic leadership is the leader's ability to anticipate, envision and maintain flexibility and empower others to create strategic change as necessary (Serfontein, 2010). The phrase "strategic leadership" emerged from work on strategic management and involves the following: determining strategic direction; exploring and maintaining unique core competencies; developing human capital; sustaining an effective organizational culture; emphasizing ethical practices; and establishing balanced organizational controls (Jooste & Fourie, 2009). According to Sosik *et al.* (2005), outstanding strategic leaders are those executives who

display key behaviours that enable the organization to execute its strategy effectively. In essence, they are "strategy-focused leaders".

1.1.4. Cement Industry in Kenya

Growth in the Kenyan construction sector is driven by major infrastructure projects. In the year 2014, construction accounted for 4.8% of GDP (Kenya National Bureau of Statistics (KNBS) Economic Survey, 2015). Kenya's building and construction sector is amongst the most rapidly growing. Cement consumption in particular is highly correlated to a country's construction sector (Dyer & Blair Report, 2012). Rising activity has led to demand for cement in Kenya increasing at a rate of 21.8% in 2014 to a total 5.2m tonnes, according to government figures, just under half the total volume for East Africa as a whole. The key drivers of this growth in consumption included rising demand for housing (which triggered an upsurge in private sector funded housing developments), the commercial construction boom fuelled by increased foreign investment, and extensive government and donor-funded spending on the country's mega infrastructure projects such as Standard Gauge Railway which reached 13.1% year-on-year in 2014, more than double the 2013 figures (KNBS Economic Survey, 2015).

The companies in the cement industry in Kenya include: East Africa Portland Cement controlling 24% of the market share, Bamburi Cement controlling 40.5% of the market share, Athi-River Mining with 15.5% market share, Mombasa cement with 13% market

share, National Cement with 7% market share and Savannah Cement which is the latest entrant in the cement industry in the country.

1.1.5. East African Portland Cement Company

East African Portland Cement Company Limited is engaged in the manufacture and sale of cement and cement related products. East African Portland Cement Company has been Kenya's leading cement manufacturer producing world class cement since 1933. The company specializes in the manufacturing and selling of cement and cement related products. The Company's major brand includes the Blue Triangle Cement. The company is listed in the Nairobi Securities Exchange (NSE) where the shares of the company are traded, under the symbol: PORT. Over the years, EAPCC greatly expanded its production capacity (East Africa Portland Cement, 2013/14 Annual Report).

In order to improve business processes, enhance quality and volume of production as well as competitiveness, the company has successfully implemented a number of strategies with time. For instance, in 2009, the company commissioned a new mill, which aimed at increasing production capacity to 1.3 Million tonnes. The company also acquired ISO 9001: 2008 certification. In 2010, the company EAPCC implemented ERP system which automates all business processes. In this regard, in 2011, the company received recognition from Computer Society of Kenya for Best ERP system implementation.

Financial statements for the year ended 30th June 2013 shows that revenue of the company increased by 8% and gross profit margin doubled to 25% from 13% in the previous year. The company's performance confirmed that the recovery strategy's focus

on cost reduction and growth of market share as included in the 2011-2016 strategic plan was bearing fruits.

1.2 Research Problem

The business world is changing more rapidly and more dramatically than ever before: technology, globalisation, competition have fundamentally reshaped the business environment. To deal with such a complex and dynamic environment, organizations need experienced people with well-developed leadership abilities and acumen. Leadership is increasingly becoming the main focus for business and academics alike. Leadership at strategic level is the key issue facing 21st century organizations (Elenkov, 2008). Organizations have recognized leadership as key to strategy implementation. Leaders have primary responsibility for implementing the chosen strategy. While an action plan involves many discrete tasks, at the core the leader must build an organization that can carry out the strategy. The leader builds both an organizational culture and an organizational capability for executing strategy (Drucker, 1992; Fuller & Green, 2005). The same sentiments are echoed by authors such as Kaplan and Norton (2004); and Hrebiniak (2005) who indicated that lack of leadership, and specifically strategic leadership by the top management of the organization, has been identified as one of the major barriers to effective strategy implementation (Elenkov, 2008).

The East African Portland Cement Company is under pressure to meet the demands of all its stakeholders: shareholders expect good returns on their

investments, customers expect good quality products at a fair price, employees expect good working conditions and good compensation packages and the community in which the organization is situated expects positive contribution from these companies and the government expects compliance with all the regulations in place. The company has responded by among others, expanding and utilizing capacity so as to benefit from economies of scale, while re-engineering business processes to build efficiency and reduce operating costs. There are also ongoing efforts on innovation and product diversification. All these are stipulated in the 2011-2016 Strategic Plan which is currently being implemented (EAPCC Report, 2014). According to Jooste and Fourie (2009), there is high failure rate of strategy implementation and without effective strategic leadership, the capability of a company to achieve its objectives or sustain a competitive advantage is greatly constrained (Elenkov, 2008). Hence there is need to establish how the leadership of EAPCC influences strategy implementation in the company.

A review of the local studies conducted shows that Mumenya, Mokaya and Kihara (2014) carried out a study to examine the factors affecting effective strategy implementation in manufacturing industry in Nakuru County Kenya, with a focus on Bidco Oil Refineries Limited. Lekasi (2014) carried out a study to determine the challenges of strategic leadership in strategy implementation by the IEBC in Kenya while Ogaja and Kimiti (2016) examined the influence of strategic leadership on implementation of tactical decisions in public universities in Kenya.

None of these studies examined how leadership influence strategy implementation, and more so in the cement industry. In the light of the importance of strategy implementation as a component of the strategic management process, and the fact that a lack of strategic leadership has been identified as one of the major barriers to effective strategy implementation (Elenkov, 2008), it was imperative to establish how the leadership of East African Portland Cement Company influences strategy implementation. What was the influence of leadership on strategy implementation at the East African Portland Cement Company?

1.3. Objective of the Study

The research objective of the study was to determine influence of leadership on strategy implementation at the East African Portland Cement Company.

1.4. Value of the Study

The findings of this study may enlighten the management of EAPCC on how leadership influences strategy implementation in the organization. The management would be able to see the key areas in which to focus while implementing their strategies as stipulated in the strategic plans so as to enhance performance and attain competitive advantage.

The study may also be of value to the employees of EAPCC. Employees are strategy implementers as they run the day to day operations of the company. The study might demonstrate to the employees that they are important to successful implementation of the strategies as they are the ones that practically implement decisions from the management.

The findings of this study may also be beneficial to other manufacturing companies across the country. The findings and recommendation from this study could be generalized to other manufacturing firms. The study may also be of value to the Capital Markets Authority, which governs the companies listed in the NSE. As a policy maker, the institution can press other listed companies to adopt the outlined best leadership practices to enhance successful strategy implementation.

This study would be of significance to the scholars and researchers. First, the study will add value to the existing body of knowledge. Secondly, the study will be a source of reference as it would provide literature to potential and current scholars and researchers on subject matter. They may also find useful research gaps that may stimulate interest in further research in future.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter covers the review of literature related to the study. It starts by discussing the theories that guide the study and then the review of empirical literature related to leadership and strategy implementation. The chapter ends with a summary of the chapter.

2.2 Theoretical Foundation

This section of the study discusses the theories that are attributed by other authors and scholars and are relevant in guiding the study. The study is guided by Transformational Leadership theory, Resource based view theory, and McKinsey 7S Model.

2.2.1. Transformational Leadership Theory

The concept of transforming leadership was first put forward by James MacGregor Burns writing in his book on leadership. To Burns transforming leadership is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents. Burns went on to also further define it by suggesting that: Transforming leadership occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality (Burns, 1978).

Bass (1985) developed Burns' concept of transforming leadership in 'Leadership and Performance Beyond Expectations' into 'transformational leadership' where the leader transforms followers – the direction of influence

to Bass is thus one-way, unlike Burns' who sees it as potentially a two-way process. Bass, however, deals with the transformational style of executive leadership that incorporates social change, a facet missing from Burns' work. For Bass 'transformational leaders' may: expand a follower's portfolio of needs, transform a follower's self-interest, increase the confidence of followers, elevate followers' expectations, heighten the value of the leader's intended outcomes for the follower, encourage behavioural change and motivate others to higher levels of personal achievement (Maslow's 'self-actualisation') (Bass, 1985).

This theory is key in helping understand a transformational leader needs to have a solid understanding of the necessary goals to be successful and be articulate in explaining those goals and the method to which they are to be achieved. Most times organizations face transformational problems which may relate to attitudes, behaviors and culture. They are rooted in the core and can be difficult to pinpoint without deep analysis. These are critical issues that need a transformational leader. Transformational leadership is therefore key in the strategic implementation process since it is a style of management that has the potential to empower the workforce to do what is intended to be achieved.

2.2.2. Resource Based View

This theory was developed by Birge Wenefeldt in 1984; it is also called the Resource Based Theory. It helps analyze and identify a firm's strategic advantages based on examining its distinct combination of assets, skills,

capabilities and intangibles as an organization. The RBV's underlying premise is that a firm differs in fundamental ways because each firm possesses a "unique" bundle of resources-tangible and intangible assets and organizational capabilities to make use of those assets. Each firm develops competencies from these resources, and when developed especially well, these become the source of the firm's competitive advantage (Pearce & Robinson, 2007).

Barney (1991) suggests that firms succeed through developing resources that provide unique sources of competitive advantage. Resources are inputs into a firm's production process, such as capital, equipment, the skills of individual employees, patents, finance, and talented managers. It is through the synergistic combination and integration of sets of resources that competitive advantages are formed. Resources confer competitive advantages based on their value, rareness, uniqueness (inimitability), and embeddedness in the organization fabric (Barney, 2001). The real key to a company's success or even to its future development lies in its ability to find or create a competence that is truly distinctive (Su *et al.*, 2009).

Selznick (1957) described values and leadership capabilities as "distinctive competencies" that can be leveraged by the firm. The author asserts the importance of senior level managers as visionaries and institutional builders, rather than merely decision makers. These views are also supported by Barney and Arikan (2001) who also revealed that leadership is an important source of competitive advantage, as a result of the strategies implemented in the firms. The theory guides the

study as it helps us understand that each organization is a collection of unique resources and capabilities that provides the basis for its strategy and the primary source of its returns. Firm's performances across time are driven primarily by their unique resources and capabilities rather than by an industry's structural characteristics. It is upon the leadership of the company to combine the resources and capability of an organization to ensure successful strategy implementation and eventually achieve competitive advantage.

2.2.3 McKinsey 7S Model

McKinsey's 7S Model was created by the consulting company McKinsey and Company in the early 1980s. Since then it has been widely used by practitioners and academics alike in analyzing hundreds of organizations. The McKinsey 7S framework was created as a recognizable and easily remembered model in business. The seven variables, which the author terms as "levers", all begin with the letter "S": these seven variables include structure, strategy, systems, skills, style, staff and shared values. Structure is defined as the skeleton of the organization or the organizational chart (Peters & Waterman, 1982).

The seven components described above are normally categorized as soft and hard components. The hard components are the strategy, structure and systems which are normally feasible and easy to identify in an organization as they are normally well documented and seen in form of tangible objects or reports such as strategy statements, corporate plans, organizational charts and other documents. The remaining four Ss, however, are more difficult to comprehend. The

capabilities, values and elements of corporate culture, for example, are continuously developing and are altered by the people at work in the organization. It is also noted that the softer components of the model are difficult to change and are the most challenging elements of any change-management strategy. Changing the culture and overcoming the staff resistance to changes, especially the one that alters the power structure in the organization and the inherent values of the organization, is generally difficult to manage. However, if these factors are altered, they can have a great impact on the structure, strategies and the systems of the organization (Peters & Waterman, 1982).

In this study, the theory offers an effective method to diagnose and understand an organization and provides guidance in organizational change. The theory also helps establish all the components that are integral for strategy implementation in an organization.

2.3 Leadership in Organization

The quality of company leadership is widely seen as key in maintaining and improving competitiveness, the CEO as the top most leader of a firm is the most important factor necessary for the success of the company. Generically, a leader in an organization provides the vision, he strategically thinks and plans, administrates the operational activities. He introduces the environment for change, he creates the leadership team by selecting key players from the organization by breaking down the current hierarchy at third stage, he formulates the vision and strategy by the help of a visionary process that clarifies the strategy for understanding of the whole organization (Moesia, 2007). Leadership also creates

an evaluation system that evaluates the strategy at every stage of the work within the organization. Finally he helps to change the culture which facilitates the strategic management (Venohr, 2007).

One of the ways the management team is able to ensure that they successfully use the strategic management process is through effective leadership. Strategic leadership is a person's ability to anticipate, envision, maintain flexibility, think strategically and work with others to initiate changes that will create a viable future for the organization (Lussier & Achua, 2007). Effective strategic leadership leads to development of goals that guide everyone in the organization to improve performance and achieve these set goals. Competent leaders also establish the context through which stakeholders such as employees and suppliers can perform at peak efficiency. It is the role of the top management to ensure that they come up with decisions and actions that result in the formulation and implementation of plans designed to achieve the company's objectives (Lussier & Achua, 2007).

2.4 Strategy Implementation

Strategy implementation is a connecting loop between formulation and control. Herbiniak (2006) argued that while strategy formulation is difficult, making strategy work and executing it is even more difficult. Similarly, Cater and Pucko (2010) concluded that while 80% of firms have the right strategies, only 14% have managed to implement them well. Egelhoff (1993)

investigated whether organizations are looking for great strategy or great strategy implementation by analyzing Asian firms that have competed successfully by focusing on the implementation of not so distinctive strategies instead of attempting to develop unique strategies.

By comparing US and Japanese semiconductor industries, Egelhoff found that the frequent repositioning of American firms had a greater impact on other American companies and a lesser impact on Japanese firms that are busy implementing their long-term product line and market segment strategies. These findings are in line with those of Zaribaf and Bayrami (2010) who found that most executives in organizations spend a great deal of time, energy, and money in formulating a strategy, but do not provide sufficient input to implement it properly.

Normally, companies change their strategy to reposition themselves and adapt or react to market opportunities and threats; when considering how to implement a strategy, most probably will constrain any creativity in the new strategy. Therefore, one must strike a balance between an innovative and workable strategy and its successful implementation.

Rajasekar (2012) asserts that unlike strategy formulation, strategy implementation cannot be achieved by top management alone; it requires the collaboration of everyone inside the organization and, on many occasions, parties outside the organization. While formulating a strategy is normally a top-down

endeavor, implementing it requires simultaneous top-down, bottom-up, and across efforts. According to Mapetere et al. (2012), strategy implementation is the hallmark of effective leadership since it is the process which turns plans into action assignments and ensures that such assignments are executed in a manner that accomplishes the plan's stated objectives. Effective implementation of a strategy can lead to a sustainable competitive advantage of an organization (Srivastava et al., 2013).

2.5 Challenges of Strategy Implementation

The existing literature documents challenges of strategy implementation. For instance, Mintzberg (1994) revealed that there can be no successful implementation of a strategic plan when an institution's management is not committed to implementation process. Institutional politics are also cited as one of factors that may contribute to the lack of managerial commitment to the strategic plan implementation process. On the other hand, McNicol (2005) argues that the lack of effective communication during the formulation and implementation of strategic plans can result in the employees sabotaging the entire process. In addition, lack of employee involvement will result in de-motivation which in-turn affects operational efficiency and performance. The findings concur with those of Atkinson (2006) who conducted study to highlight the challenges that institutions face during strategy implementation. The findings revealed the following as the challenges of strategy implementation: communication and the lack of commitment by top management. This implies that there are various challenges that institutions face as they implement strategic plans.

A study by Ahuja and Khamba (2008) on overcoming challenges in TPM implementation in Indian manufacturing industry established that there are challenges that hinder the successful implementation of strategic plans within an institution. They identified them as: organizational culture, financial and operational barriers, and technological factors. Jooste and Fourie (2009) also found out that there are many barriers that reduce the success rate of the strategy implementation process. These barriers include: the lack of effective leadership to manage the strategic implementation process, organizational culture, and inadequate resources.

Locally, Sesi (2009) conducted a research study to examine the challenges that the Kenya Dairy Board faces as it implements its strategic plan. The study identified the following challenges: lack of adequate resources, externalities which affect the strategic plan implementation process, lack of favorable institutional policies and procedures, and the lack of tactical and operational plans. All those functions fall within the jurisdiction of the top management or the leadership of the company. Mumenya et al. (2014) also conducted a study to examine the factors affecting effective strategy implementation in manufacturing industry in Nakuru County Kenya, with a focus on Bidco Oil Refineries Limited. The study found out that organizational leadership as the most important factor influencing effective strategy implementation. The study recommends that, the directors, managers and supervisors in a manufacturing industry should enhance a flexible leadership style that is consultative, open to ideas and encourages and motivates employees.

2.6 Empirical Review and Research Gaps

The existing empirical literature shows that a leader plays a vital role in the decision making to ensure efficacy and success of the organization. According to Sami, Qamar and Khalid (2011), a leader should involve everyone in the strategic management process because it is positively related with overall performance. It is the commitment of the leader that helps to achieve the strategic vision. Most importantly leaders' objectives should be integrated with the organizations strategic goals and objectives to be champion. Leaders should have a clear mental approach about the need of change and organization's capabilities.

Radomska (2014) conducted a study to examine the role of managers in effective strategy implementation. The aim of this paper was to examine whether there is a relationship between individual tasks (which determines the success in the strategy implementation) and the level of effective implementation of this process, as well as to analyse the correlations between the competencies of managers and the effectiveness of the strategy implementation. The study used interviews to collect data from managers from 200 Polish companies listed in prestigious rankings, i.e. from companies achieving development success. The findings showed that in relation to the strategy implementation, adequate actions taken by managers were much more important than their competencies. Therefore, the strategic awareness that manifests itself by the assignment of tasks and decision making power is more important than their knowledge and additional skills.

In South Africa, Jooste and Fourie (2009) investigated the role of strategic leadership in effective strategy implementation. It was found out that strategic leadership actions positively contributed to effective strategy implementation in their organisations. Determining a strategic direction for the organisation is the strategic leadership action that is perceived to play the most important role in effective strategy implementation. The development of human capital and the exploitation and maintenance of core competencies also play an important role in strategy implementation. In turn, the development of social capital is the strategic leadership action that is perceived to play the least important role in effective strategy implementation. The study concluded that strategic leadership positively contributes to effective strategy implementation in South African organisations.

The above findings are in agreement with those of Azhar, Ikram, Rashid and Saqib (2012) who also examined the role of leadership in strategy formulation and implementation. The study reveals that leadership serves as a link between the soul and the body of an organization. For the successful implementation of strategies, the challenge of leadership is to be strong but not rude, be kind but not weak, be bold but not bully, be thoughtful but not lazy, be humble but not timid, be proud but not arrogant, have humor but without folly. During the strategic management process leadership performs the various roles such as innovator, strategist, care taker, analyst, guide, organizer, motivator, developer, change enabler or change driver, decision maker, collaborator, risk manager, debtor, and evaluator. In the recipe of

strategic management process the most important ingredients are leader's responsibility, loyalty, power, motivation, awareness, articulacy (clarity), consistency and reliability.

Mapetere et al. (2012) conducted a study to explore the link between active leadership involvement and strategy implementation success in State Owned Enterprises in Zimbabwe. The study revealed a relatively low leadership involvement in strategy implementation leading to partial strategy success. Leadership has been failing to role model the ideal behaviour necessary for successful strategy implementation. The absence of a well crafted strategic vision and the lack of communication were also identified. The study concluded that leadership should be able to craft a vision for any strategic programme, design effective communication strategies as well as to role model behaviour changes that are consistent with new strategies.

Locally, Ogaja and Kimiti (2016) examined the influence of strategic leadership on implementation of tactical decisions in public universities in Kenya. The findings indicated that strategic leadership influences the implementation of tactical decisions in both institutions. The researcher concluded that strategic leadership plays an important role in the implementation of tactical decisions. The researcher recommended that Universities should review their leadership style and embrace strategic leadership to assist in making tactical decisions in the institutions.

On the other hand, Lekasi (2014) carried out a study to determine the challenges of strategic leadership in strategy implementation by the IEBC in Kenya. Research findings

revealed several challenges facing IEBC in the process of strategy implementation. They included limited resources, management of diversity among staff, political interests and interference, among others. To mitigate the challenges, IEBC had adopted various strategies including strategies to enhance the communication strategy, management of public expectations, realistic costing of projects, dialogue, enhance capacity building and trainings of staff, eliminate bureaucracy, embrace proper planning, build strong corporate culture at IEBC etc. The research recommended that IEBC takes strategic leadership in planning and implementation seriously and focus the entire team of staff towards attainment of the strategic objectives.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out various stages and phases that are followed in completing the study. It involves a blueprint for the collection, measurement and analysis of data. This section presented the procedures and techniques that were used in the collection, processing and analysis of data. Specifically, the following subsections were included; research design, study population, sampling design and sample size, data collection methods and procedures and finally data analysis.

3.2 Research Design

Research design refers to how the researcher would put a research study together to answer a set of questions. Research design works as a systematic plan outlining the study, the researchers' methods of compilation, details on how the study arrived at its conclusions and the limitations of the research. Research design may incorporate both quantitative and qualitative analysis. The research design used was a case study since the unit of analysis was one organization (EAPCC).

The importance of a case study is emphasized by Kothari (2004) who acknowledged that a case study is a powerful form of qualitative analysis that involves a careful and complete observation of a social unit, irrespective of what type of unit is under study. EAPCC formed the case study

for this study. The study sought to establish the influence of leadership on strategy implementation in the company.

3.3 Data Collection

The study collected primary data through use of an interview guide. The data was collected from approximately 10 management staff of EAPCC located in Athi River, who included the senior management and the departmental heads. The study specifically sought to get information from the staff in the management level since they were mandated to ensure success of the implementation of the strategy in the company and hence they were more knowledgeable on the research problem at hand hence expected to give reliable information.

The interview guide was deemed fit for the study since it facilitated in-depth research which yields richest data, details, and new insights. The interview guide also permitted face-to-face contact with respondents; provide opportunity to explore topics in depth and allowed interviewer to explain or help clarify questions, increasing the likelihood of useful responses.

3.4 Data Analysis

Analysis of data can be defined as the process of inspecting, cleaning, transforming, and modeling data with the goal of discovering useful information, suggesting conclusions, and supporting decision making. The data collected for this study was qualitative data and was analyzed through content analysis.

Content analysis was a flexible method and is extremely well-suited to analyze data on this sensitive phenomenon to arrive at analytical conclusions. A research was conducted to study casual relationships and theoretical statements emerging from interviews by comparing the responses from each of the interviewees. The qualitatively analyzed data analysis was presented in prose.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the study based on the data collected from the field. The study sought to determine the influence of leadership on strategy implementation at the East African Portland Cement Company.

4.2 Influence of Leadership on Strategy Implementation at EAPCC

4.2.1 Whether Management Develop Strategies for Organizational Improvement

In this section, the study sought to establish the strategies tha the management of EAPCC had developed for organizational improvement. The respondents, who were the senior management and the departmental heads, all agreed and reported that EAPCC had developed quite a numbers of strategies which played a great role as a road map for the improvement of the company and to deliver the set objectives. The strategies developed by the company include: Restructuring, Culture change (Uungwana program), diversification (Pre-cast plant), installation of new packing line to improve the dispatch hence improve the market share, and capacity increase where the company seeks to increase production capacity to 1.3 million MTPY by 2018.

The respondents further indicated that the company had developed strategies aimed at improving budgeting, customer focus, market growth, training and talent development among employees, workers' productivity, cost cutting strategies, use of technology, improving volumes, marketing strategies, amalgamation, joint ventures and mergers,

competitiveness strategies, as well as strategies aimed at improving sales revenue and the subsequent profits of the company.

4.2.2 Factors that Influence the Development of Strategies in EAPCC

The study sought to examine the factors that influenced EAPCC to develop strategies. The respondents indicated that the continuous development of strategies at EAPCC was motivated by the need for continuous improvement, enhancing performance, lower costs and Improve profitability, enhance culture change and increase shareholder value. The strategies according to the respondents were also motivated by situational analysis of the changing environment that the company operates in, the organizational goals/objectives, vision and mission of the company, social economic factors, the business needs and the market environment.

The respondents also indicated that poor business performance and challenges of organization and business growth had prompted the company to have a paradigm shift in a bid to turn around the issue. The emergence of new players that have increased competition had also threatened the market position and profitability of the company, and therefore EAPCC is forced to develop strategies to maintain and increase its market share, increase capital share, increase production and the subsequent competitiveness of the company.

4.2.3 Whether the Strategies Can be Distinguished From Other Competitors

The study sought to establish whether the strategies developed by the management were unique to be distinguished from those of other competitors in the cement industry. Most of the respondents indicated that the strategies were unique especially for

market /industry leadership strategies. Each organization in the industry had its own unique structure, environment it is operating on and the shareholders expectations. The respondents further indicated that the strategies were unique since they were uniquely developed through participation of EAPCC staff hence different environment from competition. Every player seeks a better approach to dominate the market by being more efficient and adopting the best technology. However, a few respondents felt that the strategies were not unique since mostly they were reactive. They were of the opinion that the strategies were similar to those of other competitors with little variance.

4.2.4 Whether the Strategies were Specific, Measurable, Attainable, Realistic, and Time-Bound

The study enquired from the respondents whether the strategies developed by EAPCC were specific, measurable, attainable, realistic, and time-bound. Majority of the respondents indicated that the strategies were specific, measurable, attainable, realistic, and time-bound since they covered a period of 5 years and were measured on an annual basis. They were also developed after wide consultations hence realistic enough to be achieved. The respondents further explained that the strategies had specific timelines, were very specific, measurable, attainable, and realistic for the organization. Each strategy had its objective and goals which were measurable, attainable, and realistic and time bound as stipulated by board of management. Moreover, the respondents stated that the strategies were measurable, because they were tested or measured against a built framework/template. Company had entered in to performance contracting with the government and their objectives were measured and evaluated every quarter for effectiveness.

And although strategies had a wider scope, they were developed into specific performance indicators/measures, for the monitoring and evaluation purposes. Every year, targets were set and eventually evaluated. However, a few respondents were of the opinion that the strategies were only specific, measurable, attainable, realistic, and time-bound on paper but not seriously followed through.

4.2.5 Top Management Commitment to Implementation of Strategies

The study sought to determine whether the top management of EAPCC was committed to implementation of strategies. The respondents had varied responses. Some of the respondents reported that the top management was committed to implementation of strategies through the KPIs signed with the board with goals and timelines. The top management approved and oversaw the strategic plans of each department and its implementation. The annual budget that was prepared took into account the strategies agreed upon, hence financing was provided. Also the management had appointed a team (strategy section) to monitor the implementation of the strategies. Each HOD had to develop departmental strategies upon which they would be evaluated on every quarter. The top management had also put in place balanced score card to ensure implementation of strategies.

However, some respondents indicated that the management has not fully committed. They explained that the top management was involved in initial phases but failed to follow through and ensure that the strategies were owned up, adopted, and implemented fully. The respondents stated that though the management provided resources to ensure

strategy implementation but the implementation was not followed to the letter and therefore more needs to be done.

4.2.6 Allocation of Resources for Strategy Implementation by the Management

The study sought to establish whether the management allocated adequate resources for strategy implementation of key strategies in EAPCC. Most of the respondents indicated that the management supported strategy implementation through provision of both financial, human resources and leadership which were significant when the strategies were being formulated but this is not replicated in the other phases. The respondents indicated that a strategy section reporting to the top management had been formed and resourced (people, budget etc).

However, the respondents reported that sometimes the management did not provide adequate resources and therefore not all tasks were implemented. The respondents explained that through the last few years, the company faced a lot of financial constraints due to competing activities it wanted to implement and therefore resources were allocated to key priority strategy areas only. The respondents agreed that there was a big relationship between strategy and budgeting. However, sometimes the company cash position did not allow for implementation. The inadequate financial resources hindered implementation of all the planned strategies.

4.2.7 Whether the Top Management Encompass Culture for Strategy Implementation

The respondents were asked to indicate whether the top management encompassed a culture of values and beliefs to employees in order to successfully implement the strategies. Most of the respondents reported that indeed they encompassed culture through the change management office via the kikao system. The company through appraisal required every employee to attach evidence of the work done. And through "kikao" objectives of the departments are discussed. The management had also encompassed a good culture through the change programme. The organization has a culture change program (Uungwana culture change program).

The organization was also guided by core values of safety, teamwork, integrity, customer focus, timeliness, innovativeness, and commitment. The respondents further indicated that the management expanded these core values which were cascaded from top management to employees who were sensitized through training. However, a few respondents indicated that the company's values were not espoused- they were not followed through fully. The respondents were of the opinion that the culture needs to be changed, so that it can be in line with strategy implementation.

4.2.8 Communication of the Strategies by the Management

The study sought to establish whether there was adequate communication of the strategies being implemented by the management to the employees in the organization. Most of the respondents indicated that the strategies were communicated from top down and signed off by the employees.

That is why everyone had KPIs developed through departmental strategies. The communication was done through training to cascade the strategies, objectives and to develop the initiative from departmental levels to individual levels. They also arranged for team building exercises/retreats.

However, a few of the respondents revealed that the management of EAPCC did not adequately communicate the strategies. They indicated that the strategies were basically communicated among top leadership but the message did not get to the shop floor. The respondents also revealed that strategies were sensitive documents/information and only necessary information was shared with staff. And with such the communication was not well communicated below the executive level and most shop floor employees did not know the organizations strategies.

4.2.9 Role of Leadership in Strategy Implementation in EAPCC

The respondents were asked to indicate the other roles that the leadership of EAPCC was playing in the implementation of strategies. The respondents indicated that the leadership of EAPCC championed, reviewed and cascaded strategies to lower cadre staff. Cascading of strategies to the shop floor employees was done by incorporating these strategies into employees KPIs. The top management also audited, monitored and evaluated the strategies.

The respondents further indicated that the management set the tone for strategy implementation through offering specialized senior leadership courses for top management and allocation of resources towards its implementation. Despite the support and cascading downwards of the strategies, the leadership also enforced the strategies,

reviewed them to ensure relevance and benchmarked for best practices. The leadership also mobilized staff to participate in the process and they monitored this through employees' performance appraisal.

4.2.10 Challenges EAPCC Experience in the Implementation of its Strategies

The study sought to establish the challenges that EAPCC experienced in the implementation of its strategies. The respondents highlighted a number of challenges whereby the major challenge was lack of adequate financial resources. Some projects were capital intensive and therefore the limited resources undermined their implementation. The respondents also stated that there was inadequate cascading of the strategies and lack of proper follow up on their implementation. There was lack of clear road map on how to adopt and implement the strategies and some strategies were not very practical hence difficult to implement.

The respondents further reported that the dynamic external environment and frequent changes of the leadership of the organization affected implementation of the strategies. There was also political/government interference, community interference, lack of team work, lack of commitment and resistance to change by lower cadre employees.

4.3 Discussion

4.3.1 Comparison with Theory

The study established that the management of EAPCC had developed strategies for organizational improvement. The strategies developed by the company ranged from restructuring, culture change, diversification, to use of new technology and capacity increase in production. The leadership of EAPCC also developed strategies aimed at

improving budgeting, customer focus, market growth, training and talent development in order to improve workers' productivity, cost reduction, which were aimed at improving profits of the company and the competitiveness of the company. These actions of the leadership of EAPCC are in agreement with Transformational leadership theory which is a leadership approach that causes change in individuals of an organization. Transformational leadership creates valuable and positive change in the followers (the employees of the company) with the end goal of transforming the followers and the organization at large. A transformational leader needs to have a solid understanding of the necessary goals to be successful and be articulate in explaining those goals and the method to which they are to be achieved. Transformational leadership is therefore key in the strategic implementation process since it is a style of management that has the potential to empower the workforce to do what is intended in order to achieve set goals.

The study found out that the leadership of EAPCC allocated resources for strategy implementation of key strategies in the company. The leadership provided both financial and human resources which were significant and necessary for strategy implementation. This is in line with the Resource Based theory which suggests that firms succeed through developing resources that provide unique sources of competitive advantage. Resources may include capital, equipment, skills of individual employees, finance, and talented managers. It is through the synergistic combination and integration of sets of resources that strategy implementation is enhanced hence competitive advantages are formed (Barney, 1991).

Resources confer competitive advantages based on their value, rareness, uniqueness (inimitability), and embeddedness in the organization fabric (Barney, 2001). The RBV's asserts that a firm needs to develop competencies from these resources, so as become the source of the firm's competitive advantage. For the case of EAPCC, the study shows that the leadership, for instance had formed a strategy section, reporting to the top management and it had been resourced with skilled staff and an adequate budget.

The study further found out that the leadership of EAPCC encompassed a culture of values and beliefs to employees in order to successfully implement the strategies. The company through its leadership had enhanced a culture change through the 'kikao system' and Uungwana culture change program. The organization was also guided by key core values of safety, teamwork, integrity, customer focus, timeliness, innovativeness, and commitment. The leadership of EAPCC expanded these core values which were cascaded from top management to employees. These findings are in line with McKinsey's 7S Model which seeks to establish the components that are integral for strategy implementation in an organization. McKinsey's 7S Model developed seven components which are structure, strategy, systems, skills, style, staff and shared values.

The leadership of EAPCC conforms to these components as they were committed to culture change, staff improvement, and instilling shared values. Peters and Waterman (1982), the developers of McKinsey's 7S Model indicates that though changing the culture and overcoming the staff resistance to changes is difficult; if these factors are

altered, they can have a great impact on the structure, strategies and the systems of the organization. Hence culture change and encompassing of shared values is key to successful implementation of strategies in EAPCC.

4.3.2 Comparison with Other Studies

On the influence of leadership on strategy implementation in EAPCC, the study found out that the management allocated resources for strategy implementation of key strategies in EAPCC. The management supported strategy implementation through provision of both financial, human resources, even though the resources were inadequate due to financial constraints and competing activities in the organization. Provision of adequate resources by the leadership is essential to successful strategy implementation. The findings corroborate with those of Jooste and Fourie (2009) who established that inadequate resources affects successful implementation of strategies. They assert that an effective leadership should provide adequate resources to ensure successful strategy implementation process.

The study also found out that the top management of EAPCC encompassed a culture of values and beliefs to employees in order to successfully implement the strategies. The management implemented a change management programme via the kikao system. Through "kikao" objectives of the departments are discussed. The organization has a culture change program (Uungwana culture change program). The employees of EAPCC are also guided by core values. According to Hitt et al. (2007), strategic leadership that positively contributes to effective strategy implementation, is characterized by sustaining an effective organizational culture, and emphasizing ethical practices. Serfontein (2010)

39

also asserts that strategic leadership is the leader's ability to anticipate, envision and maintain flexibility and empower others to create strategic change as necessary. These sentiments are also supported by Mumenya et al., (2014) who revealed that organizational leadership was the most important factor influencing effective strategy implementation. They recommended that, the leadership should enhance a flexible leadership style and culture that is consultative, open to ideas and encourages and motivates employees.

However, the study found out that the top management was not fully committed to strategy implementation. Even though they approved and oversaw the strategic plans and provided financial resources; they failed to follow through and ensure that the strategies were adopted and implemented fully. Top management commitment is essential to strategy implementation. This is in agreement with the findings of Sami et al. (2011), it is the commitment of the leader that helps to achieve the strategic vision. These findings also corroborates with those of Mintzberg (1994) who revealed that there can be no successful implementation of a strategic plan when an institution's management is not committed to implementation process. Atkinson (2006) also revealed that lack of commitment by top management affects strategy implementation.

The findings also show that the company's strategies were communicated well among top leadership but the communication to lower cadre of employees in the company was poor. The communication was done through training to cascade the strategies and to develop the initiative from departmental levels to individual levels. Inadequate knowledge communication on the strategies to the low level employees could significantly affect

strategy implementation since such employees are the implementers of the strategies. The findings are in agreement with those of Mapetere et al. (2012) leadership has been failing in ensuring successful strategy implementation due to lack of communication. They recommended that the leadership should design an effective communication strategy. McNicol (2005) also revealed that lack of effective communication during the formulation and implementation of strategic plans can result in the employees sabotaging the entire process.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents discussions of the key findings presented in chapter four, conclusions drawn based on such findings and recommendations thereto. This chapter is thus structured into summary of major findings, conclusions, recommendations.

5.2 Summary of Findings

On the strategies that the management of EAPCC had developed for organizational improvement, the study found out that EAPCC had developed quite a numbers of strategies which played a great role as a road map for the improvement of the company and to deliver the set objectives. The strategies developed by the company include: Restructuring, Culture change (Uungwana program), diversification (Pre-cast plant), installation of new packing line to improve the dispatch hence improve the market share, and capacity increase where the company seeks to increase production capacity to 1.3 million MTPY by 2018. The study found out that the company had developed strategies aimed at improving budgeting, customer focus, market growth, training and talent development among employees, workers' productivity, cost cutting strategies, use of technology, improving volumes, marketing strategies, amalgamation, joint ventures and mergers, competitiveness strategies, as well as strategies aimed at improving sales revenue and subsequent profits of the company.

On the factors that influenced EAPCC to develop strategies, the study found out that the continuous development of strategies at EAPCC was motivated by the need for continuous improvement, enhancing performance, lower costs and improve profitability, enhance culture change and increase shareholder value. The strategies according to the respondents were also motivated by situational analysis of the changing environment that the company operates in, the organizational goals/objectives, vision and mission of the company, social economic factors, the business needs and the market environment. The study also found out that poor business performance and challenges of organization and business growth had prompted the company to have a paradigm shift in a bid to turn around the company. The emergence of new players that have increased competition had also threatened the market position and profitability of the company, and therefore EAPCC is forced to develop strategies to maintain and increase its market share, increase capital share, increase production and subsequent competitiveness of the company.

On whether the strategies developed by the management were unique to be distinguished from those of other competitors in the cement industry, the study found out that the strategies were unique especially for market/industry leadership strategies. Each organization in the industry had its own unique structure, environment it is operating on and the shareholders expectations. It was also found out that the strategies were unique since they were uniquely developed through participation of EAPCC staff hence different environment from competition. Every player seeks a better approach to dominate the market by being more efficient and adopting the best technology. However, a few respondents felt that the strategies were not unique since they were mostly reactive.

The study sought to establish whether the strategies developed by EAPCC were specific, measurable, attainable, realistic, and time-bound. Majority of the respondents stated that they were specific, measurable, attainable, realistic, and time-bound since they covered a period of 5 years and were measured on an annual basis. They were also developed after wide consultations hence realistic enough to be achieved. The respondents further explained that the strategies had specific timelines, were very specific, measurable, attainable, and realistic to the organization. Each strategy had its objective and goals which were measurable, attainable, realistic and time bound as stipulated by the board of management. Moreover, the respondents stated that the strategies were measurable, because they were tested or measured against a built framework/template. Company had entered into performance contracting with the government and their objectives were measured and evaluated every quarter for effectiveness. And although strategies had a wider scope, they were developed into specific performance indicators/measures, for the monitoring and evaluation purposes. Every year, targets were set and eventually evaluated. However, a few respondents were of the opinion that the strategies were only specific, measurable, attainable, realistic, and time-bound on paper but not seriously followed through.

On whether the top management of EAPCC was committed to implementation of strategies, some of the respondents reported that the top management was committed to implementation of strategies through the KPIs signed with the board with goals and timelines. The top management approved and oversaw the strategic plans of each department and its implementation. The annual budget that was prepared took into account the strategies agreed upon, hence financing was provided. Also the management

had appointed a team (strategy section) to monitor the implementation of the strategies. Each top management was evaluated every quarter on their performance while each HOD had to develop departmental strategies. The top management had also put in place balanced score card to ensure implementation of strategies. However, some respondents indicated that the management has not fully committed. They explained that the top management was involved in initial phases but failed to follow through and ensure that the strategies were owned up, adopted, and implemented fully. The respondents stated that though the management provided resources to ensure strategy implementation but the implementation was not followed to the letter and therefore more needs to be done.

On whether the management allocated adequate resources for strategy implementation of key strategies in EAPCC, most of the respondents indicated that the management supported strategy implementation through provision of both financial, human resources and leadership which were significant when the strategies were being formulated. The respondents indicated that a strategy section reporting to the top management had been formed and resourced. However, the respondents reported that sometimes the management did not provide adequate resources and therefore not all tasks were implemented. The respondents explained that through the last few years, the company faced a lot of financial constraints due to competing activities it wanted to implement and therefore resources were allocated to key priority strategy areas only. The respondents agreed that there was a big relationship between strategy and budgeting. However, sometimes the company cash position did not allow for implementation. The inadequate financial resources hindered implementation of all the planned strategies.

On whether the top management encompassed a culture of values and beliefs to employees in order to successfully implement the strategies, the study found out that indeed they encompassed culture through the change management office via the kikao system. The company through appraisal required every employee attach evidence of the work done. And through "kikao" objectives of the departments are discussed. The management had also encompassed a good culture through the change programme. The organization has a culture change program (Uungwana culture change program). The organization was guided by core values of safety, teamwork, integrity, customer focus, timeliness, innovativeness, and commitment. The respondents further indicated that the management expanded these core values which were cascaded from top management to employees who were sensitized through training. However, a few respondents indicated that the company's values were not espoused- they were not followed through fully. The respondents were of the opinion that the culture needs to be changed, so that it can be in line with strategy implementation.

On whether there was adequate communication of the strategies being implemented by the management to the employees in the organization, most of the respondents indicated that the strategies were communicated from top down and signed off by the employees. That is why everyone has KPIs developed through departmental strategies. The communication was done through training to cascade the strategies, objectives and to develop the initiative from departmental levels to individual levels. They also arranged for team building exercises/retreats. However, a few of the respondents revealed that the management of EAPCC did not adequately communicate the strategies. They indicated that the strategies were basically communicated among top leadership but the message

did not get to the shop floor. The respondents also revealed that strategies were sensitive documents/information and only necessary information was shared with staff. And with such the communication was not well communicated below the executive level and most shop floor employees did not know the organizations strategies.

On the other roles that the leadership of EAPCC was playing in the implementation of strategies, the study found out that the leadership of EAPCC championed, reviewed and cascaded strategies to lower cadre. Cascading of strategies to the shop floor employees was done by incorporating these strategies into employees KPIs. The top management also audited, monitored and evaluated the strategies. The respondents further indicated that the management set the tone for strategy implementation through offering specialized senior leadership courses for top management and allocation of resources towards its implementation. In addition to the support and cascading downwards of the strategies, the leadership also enforced the strategies, reviewed them to ensure relevance and benchmarked for best practices. The leadership also mobilized staff to participate in the process and they monitored this through employees' performance appraisal.

On the challenges that EAPCC experienced in the implementation of its strategies, the study highlighted a number of challenges whereby the major challenge was lack of adequate finance resources. Some projects were capital intensive and therefore the limited resources undermined their implementation. The respondents also stated that there was inadequate cascading of the strategies and lack of proper follow up on their implementation. There was lack of clear road map on how to adopt and implement the strategies and some strategies are not very practical hence difficult to implement. The

study also found out that the dynamic external environment and frequent changes of the leadership of the organization affected implementation of the strategies. There was also political/government interference, community interference, lack of team work, lack of commitment and resistance to change by lower cadre employees.

5.3 Conclusions

The study concludes that EAPCC had developed strategies for organizational improvement. The strategies developed by the company ranged from restructuring, culture change, diversification, customer focus, market growth strategies, cost cutting strategies, among others. The strategies were prompted due to poor business performance and challenges of organization and business growth had prompted the company to have a paradigm shift in a bid to turn around the issue. The emergence of new players that have increased competition threatening the market position and profitability of the company also motivated EAPCC to develop strategies to increase its market share, performance, and the subsequent competitiveness of the company.

The study concludes that top management of EAPCC was not fully committed to implementation of strategies. Though top management provided a budget for strategy implementation, approved the strategic plans of each department and its implementation. Their actions were not adequate. The leadership did not own up the strategies. The implementation was not followed to the letter.

The study concludes the leadership of EAPCC had allocated adequate resources for strategy implementation of key strategies in EAPCC. However, the company faced financial constraints due to competing activities it wants to implement and therefore resources were allocated to key priority strategy areas only. Therefore not all strategies were implemented as scheduled. The study also concludes that the leadership of EAPCC was committed to encompassing a culture that will support strategy implementations. The organization has a culture change program through 'Uungwana culture change program' 'kikao system' all aimed at instilling values that would enhance strategy implementation in the organization.

The study concludes that the communication of the strategies being implemented by the leadership of EAPCC was not adequate. Though there was communication through training to cascade the strategies through departments; only the top level employees were well informed but shop floor staff did not know the organizations strategies. This definitely affects the implementation of the strategies as successful strategy implementation involves all the company staff, so as to work towards common goals and objectives.

The study concludes that there are challenges that EAPCC experienced in the implementation of its strategies. These challenges include lack of adequate resources/financial constraints, inadequate cascading of the strategies, lack of proper follow up on their implementation, political/government interference, community interference, lack of team work, lack of commitment and resistance to change.

5.4 Recommendations

The study recommends that the leadership of EAPCC should allocate and provide more resources, both financial and human resources, to support strategy implementation. Resources are key to strategy implementation. Besides provision of resources, leadership should also enhance team work in strategy implementation and create a culture that would support the company's strategies.

The study recommends that management of the company should ensure adequate communication on the company's strategies. There should be proper cascading of the strategies so as to reach all target company staff in order to help them understand company's strategies.

The study further recommends there should be continuous monitoring of strategy implementation by the leadership of EAPCC as it ensures performance and successful implementation of the strategies. The study had found out that the leadership did not follow up the strategies to its completion, but through continued monitoring and evaluation, they would get informed of the performance of the strategies and therefore take relevant actions at the right time and thus ensure successful implementation of the strategies.

5.5 Limitations of the Study

In the pursuit of conducting this study, the researcher initially experienced challenges of getting information/data from the respondents who were the management staff. Some of the respondents were unwilling to share information for fear that the data may be used by their competitors or released to other unauthorized persons. However, the researcher

overcame this challenge by informing the respondents of the purpose of the study and how it could benefit the company. The researcher also followed ethical procedures and ensured confidentiality of the data given.

The researcher encountered a challenge in accessing the management staff of EAPCC, who were quite busy and it was a times difficult to fit in their busy schedules. However, the researcher countered this limitation by booking for appointments at the most convenient time of the respondents so as to avoid interfering with their busy schedules.

5.6 Areas For further Research

This study looked at the influence of leadership on strategy implementation at EAPCC. The competition in this industry has been heightened whereby each and every company is devising ways to enable them stay competitive. This study was a case study of one company (EAPCC) and may not be conclusive to tell the influence of leadership in strategy implementation in cement industry. In this regard, the study recommends a replica study be conducted in other companies in the cement industry in Kenya, to examine the role that leadership plays in ensuring successful strategy implementation in other organizations.

The study established that there are a number of strategies being implemented at EAPCC. The study suggests that a study be conducted to examine how the strategies being implemented by the company have influenced its competitiveness, in terms of market share, quality and pricing, as these are the major competing factors among companies in the cement industry in Kenya.

REFERENCES

Ahuja, I. P., & Khamba, J. S. (2008). Strategies and success factors for overcoming challenges in TPM implementation in Indian manufacturing industry. *Journal of Quality in Maintenance Engineering, 14*(2), 123-147.

Allio, M. K. (2005). A short, practical guide to implementing Strategy. *Journal of Business Strategy, 26* (4), 12-21.

Atkinson, H. (2006). Strategy implementation: A role for the balance scorecard? *Management Decision, 44*(10), 1441-1460.

Azhar, A., Ikram, S., Rashid, S., & Saqib, S. (2012). The role of leadership in strategy formulation and implementation. *International Journal of Management and Organizational Studies*, 1(2), 32-38.

Barney, J.B. (1991), Firm Resources and Sustained Competitive Advantage. *Journal of Management,* 17 (1), 99–120.

Barney, J.B. (2001), Is the Resource-Based Theory a Useful Perspective for Strategic Management Research? Yes. *Academy of Management Review*, 26 (1), 41–56.

Barney, J.B., & Arikan, A. M. (2001). *The resource-based view: origins and implications.* In The Blackwell Handbook of Strategic Management, Hitt MA, Freeman RE, Harrison JS (eds). Blackwell: Oxford, UK; 124–188

Bartol, K., Tein, M., Matthews, G., & Martin, D. (2003), *Management: A pacific rim focus,* Enhanced Edn, McGraw-Hill Australia Pty Ltd., North Ryde, NSW.

Bass, B. (1985). *Leadership and Performance Beyond Expectations*. New York: Free Press.

52

Bolden, R., Gosling, J., Marturano, A. & Dennison, P. (2003). *A Review of Leadership Theory and Competency Frameworks*. Report for Chase Consulting and the Management Standards Centre, Centre for Leadership Studies, University of Exeter.

Burns, J. M. (1978). *Leadership.* New York: Harper & Row.

Cater, T., & Pucko, D. (2010). Factors of effective strategy implementation: Empirical evidence from Slovenian business practice. *Journal for East European Management Studies, 15*(3), 207-236

Daft, R. L., & Lane, P. G. (2008). *The leadership experience* (5th ed.). Mason, OH: SouthWestern Cengage Learning.

Drucker, P. F., (1992). *"Leadership: More Doing Than Dash,"* Managing for the Future. Truman Talley Books/Dutton.

Dyer & Blair Report, (2012). *Kenya Cement Industry Brief Overview*.

EAPCC Annual Report, 2015

EAPCC Annual Report, 2014.

Egelhoff, W.G. (1993). Great Strategy or Great Strategy Implementation − Two ways of Competing in Global Markets. *Sloan Management Review, 34*(2), 37-50

Elenkov, D.S. (2008). Effects of leadership at strategic level and its moderators on innovation: an international empirical study. *International Journal of Business Strategy, 8*(2): 37–47.

Fuller, J. N., & Green, J.C. (2005). The Leader's Role in Strategy. *Graziadio Business Review*. 8 (2). Retrieved on September 25[th]2016 from: https://gbr.pepperdine.edu /2010/08/the-leaders-role-in-strategy/

Gronn, P. (1995) Greatness Re-visited: The current obsession with transformational leadership. *Leading and Managing 1*(1), 14-27.

Herbiniak, L.G. (2006). Obstacles to effective strategy implementation. *Organizational Dynamics, 35*(1), 12-31.

Hitt, M. A., Ireland, R. D. & Hoskisson, R.E. (2007). *Strategic Management: Competitiveness and Globalization*, (7th ed.). Ohio: Thomson/South Western.

Hrebiniak, L.G. (2005). *Making Strategy Work: Leading Effective Execution and Change*. Upper Saddle River, NJ: Wharton School Publishing

Jooste, C., & Fourie, B. (2009). The role of strategic leadership in effective strategy implementation: Perceptions of South African strategic leaders. *Southern African Business Review, 13* (3), 51-68.

Kaplan, R.S. & Norton, D.P. (2004). S*trategy Maps: Turning Intangible Assets into Tangible Results*. Boston, MA: Harvard Business School Press.

Kenya National Bureau of Statistics (KNBS) (2015). Economic Survey. Government of Kenya

Kirkpatrick, S. A., & Locke, E. A. (1991). Leadership: Do traits matter? *Academy of Management Executive, 5,* 48–60.

Kothari, C. R. (2004). *Research methodology: Methods and techniques.* (2nd ed.). Delhi: New Age International (P) Ltd.

Lear, L.W. (2012). *The relationship between strategic leadership and strategic alignment in high-performing companies in South Africa*. Unpublished thesis. Pretoria: University of South Africa.

54

Lekasi, R. N. (2014). *Challenges of Strategic Leadership in Strategy Implementation By The Independent Electoral And Boundaries Commission of Kenya*. Unpublished Master Research Project, University of Nairobi.

Locke, E.A. & Kirkpatrick, S. (1991). *The Essence of Leadership: The Four Keys to Leading Successfully*. New York: Lexington Books

Lussier, R. N., & Achua, C. F. (2007). *Leadership: Theory, application, and skill development* (3rd ed.). Mason, OH: Thomson South-Western.

Mapetere, D., Mavhiki, S., Nyamwanza, T., Sikomwe, S., & Mhonde, C. (2012). Strategic Role of Leadership in Strategy Implementation in Zimbabwe's State Owned Enterprises. *International Journal of Business and Social Science, 3* (16), 271-276

McNicol, S. (2005). The challenges of strategic planning in academic libraries. *New Library World, 106*(11/12), 496-509.

Mintzberg, H. (1994). *The rise and fall of strategic planning*. New York: The Free Press.

Moesia (2007). The importance of different leadership roles in the strategic management process, *S.A journal of HRM* 2(1) 26-36.

Mohamad S. N. T. (2011). *Best practices in strategic plan implementation: nurturing the enabling environment for surveyors*. FIG Working Week, Bridging the Gap between Cultures, Marrakech, Morocco, 18-22.

Mumenya, A. G., Mokaya, S. O., & Kihara, C.M. (2014). Leadership as a Factor Affecting Effective Strategy Implementation in Manufacturing Industry in Nakuru County Kenya: a Case Study of Bidco Oil Refineries Limited. *International Journal of Science and Research (IJSR), 3* (10), 1930-1933

Ogaja, C. K., & Kimiti K. G. (2016), Influence of Strategic Leadership on Implementation of   Tactical Decisions in Public Universities in Kenya, *International Journal of Science   and Research (IJSR), 5*(1), 681- 689.

Onyango, A. O. (2011). *Supply chain management practices and performance in Cement industry in Kenya*. Unpublished Masters Research Project. University of Nairobi.

Pearce, J.A. & Robinson, R.B. (2007). F*ormulation, Implementation and Control of Competitive   Strategy*, (9th ed.). Boston, MA: McGraw-Hill Irwin.

Peters, T. & Waterman, R. (1982) "*In Search of Excellence",* New York, London: Harper & Row.

Radomska, J. (2014), *The Role of Managers in Effective Strategy*. Wroclaw University of Economics, Poland.

Rajasekar, J. (2014). Factors affecting Effective Strategy Implementation in a Service Industry: A Study of Electricity Distribution Companies in the Sultanate of Oman. *International   Journal of Business and Social Science, 5* (1), 169-183.

Robbins, S., Judge, T. and Campbell, T. (2010). *Organizational Behaviour*. Harlow: Pearson.

Sami, Qamar & Khalid (2011), Exploring the Leadership Terrain. *Journal of economics and   behavioral studies, 3*(3) 185-189.

Selznick, P. (1957). *Leadership in administration: A sociological interpretation*. New York: Harper & Row.

Serfontein, J. J. (2010). *The impact of strategic leadership on the operational strategy and   performance of business organisations in South Africa*. University of

Sesi, M. S. (2009). *The challenges of implementing strategic plans at Kenya Dairy Board*. Unpublished Masters Thesis, University of Nairobi, Nairobi.

Sosik, J.J., Jung, D.I., Berson, Y., Dionne, S.D. & Jaussi, K.S. (2005). The strategic leadership of top executives in high-tech organizations. *Organizational Dynamics, 34*(1), 47–61.

Srivastava, M., Franklin, A. & Martinette, L. (2013). Building a Sustainable Competitive Advantage, *Journal of technology Management & Innovation, 8*(2), 47–61.

Su, Y. S., Tsang, E. W. K. & Peng, M. W. (2009). "How do internal capabilities and external partnerships affect innovativeness?" *Asia Pacific Journal of Management*, 26(2), 309-331.

Thompson, A.A. & Strickland, A.J. (2003). *Strategic Management: Concepts and Cases*, (13th ed.). New York: McGraw-Hill.

Wernerfelt, B. (1984). 'A resource-based view of the firm', *Strategic Management Journal*, 5(2), 171-180.

Wheelen, T. L. & Hunger, J. D. (2012). *Strategic Management* and *Business Policy*: Achieving Sustainability (13th ed.). Prentice Hall.

Zaribaf, M., & Bayrami, H. (2010). *An effective factors pattern affecting implementation of strategic plans*. Academic and Business Research Institute.

APPENDIX: INTERVIEW GUIDE

1. Does the management develop strategies for organizational improvement? If yes indicate them.

2. What are the factors/motivations that influence the preparation/development of strategies in EAPCC?

3. Are the strategies developed by the management be distinguished from those of other competitors in the industry. Explain

4. Are the strategies in the organization Specific, Measurable, Attainable, Realistic and Time-bound? Explain

5. Is the top management of EAPCC committed to implementation of strategies in the organization? If yes explain how.

6. Does the management allocate adequate resources for strategy implementation of key strategies in the organization? Explain.

7. Does the top management encompass values and beliefs (culture), to employees which influence the organization to achieve her objectives/strategies? Explain.

8. Is there adequate communication of the strategies being implemented by the management to the employees in the organization? Explain

9. What other role does the management and the leadership of EAPCC play in the implementation of its strategies in the company?

10. Which challenges does EAPCC experience in the implementation of its strategies?

THANK YOU FOR YOUR PARTICIPATION