

**CHALLENGES OF STRATEGY IMPLEMENTATION OF CARGO  
COMPANIES OPERATING AT JOMO KENYATTA  
INTERNATIONAL AIRPORT, NAIROBI KENYA**

**BY**

**MOHAMMAD ISMAIL MOHAMAD**

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## **DECLARATION**

### **Student's Declaration**

This research project is my original work and has not been presented for an academic award in any institution of learning.

Signed: ..... Date: .....

Mohamad Ismail Mohammad

Reg. No: D61/85308/2016

MBA Student, Department of Management Science

### **Supervisor's Declaration**

This research project has been submitted for examination with my approval as a University Supervisor

Signed..... Date.....

Prof. E. Aosa

School of Business

University of Nairobi

## **DEDICATION**

I dedicate this project to my family, my gorgeous wife Aisha and loving daughter Nadia who have inspired me and given me the reason to burn the midnight oil even when I thought I had no more reserve in me and most of all to the Almighty Allah (SW) for giving me strength and wisdom to undertake and complete this work.

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## **ABBREVIATIONS AND ACRONYMS**

<b>CVI -</b>	Content Validity Index
<b>I/OM-</b>	Industrial Organization Model
<b>ICT-</b>	Information and Communication Technology
<b>IT-</b>	Information Technology
<b>JKIA –</b>	Jomo Kenyatta International Airport
<b>KAA-</b>	Kenya Airports Authority
<b>KAHL-</b>	Kenya Airfreight Handling Limited
<b>KQ-</b>	Kenya Airways
<b>NFPS -</b>	Non-Financial Public Sector
<b>OECD -</b>	Organization for Economic Co-operation and Development
<b>RBV -</b>	Resource Based View Theory
<b>SME</b>	Small & Medium-Size Enterprise
<b>SPSS-</b>	Statistical Package for Social Studies
<b>UK-</b>	United Kingdom

## ABSTRACT

Strategy implementation is a very critical process for organization's long-term success and competitive advantage. Despite its merits its exposed to numerous challenges in its implementation stages. The aim of this study was to find out challenges of strategy implementation of cargo companies operating at Jomo Kenyatta International Airport in Nairobi, Kenya. The study employed the use of the resource based view theory, the industry organization theory and stakeholder theory of strategic management to explain the challenges of strategy implementation among the cargo companies operating at JKIA. The research design used for the study was cross-sectional survey design with a target population of 40 cargo companies based at the JKIA in Nairobi. The study employed the use of questionnaires to collect data and used SPSS and Excel to analyze the data and tables to present the findings. The study is significant to JKIA cargo companies' management since it will provide them with data that will aid in reducing the challenges of strategy implementation for the cargo operations so as to improve its services. To the policy makers and regulatory bodies, this study will provide knowledge that can be utilized to make judgments that would change the way operations are exercised. The study found that the challenges facing implementation of strategies among the cargo companies operating at JKIA are lack of proper planning, lack of organizational support, lack of motivation/enthusiasm from the staff charged with the process of implementation, lack of proper information, lack of proper involvement of the stakeholders, lack of good will from the stakeholders, inadequate resources, unclear strategic plan, poor management of resources, lack of financial resources, poor or lack of communication, poor organizational structure, lack of coordination/team work within departments, poor organizational culture, limited staff capacity, poor or lack of IT infrastructure, political interference in the organizational management, lack of expertise or special skills, poor leadership and the Government regulations/policies. The study recommends that the management should have a strategic master plan from which projects are phased in line with the organizational financial ability and implemented in line with the strategic plan for the successful implementation of the strategies. Further the management to increase more staff to bridge the deficiency of the strategy implementation staff. The companies should establish amicable ways to control political interference and put in more permanent governance structures to be sought with clear roles and authority among the management of the organization. The greatest limitation of this study was the inability to secure enough time to conduct the interview and hence not enough time was spent on the respondents because of their busy schedules. Also it was not possible for the researcher to obtain feedback from the organizations CEOs who are the focal point of strategy implementation process. Hence a number of those managers interested expressed concern over the high turnover of those mandated with the implementation process hence some interviewees had limited exposure to the entire process and therefore could only report about the challenges experienced during their tenure in office. Further the study was thought to be sensitive by the respondents and some were not ready to give information.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

In strategic management process, implementation of strategy is a very crucial part. It includes different management activities necessary for putting strategy in motion, achieve organizational goals ultimately and institute strategic controls that monitor progress (Thompson & Strickland, 1989). Strategy implementation does take place in systematic series of programs, steps, investments that happen within a certified period of time. The way managers implement particular strategy is by keenly converting the well-crafted broad plans into concrete, recommendable actions and results of various units within the organization and individuals as well. The strategic implementation of a task is usually carried out in a systematic way for any given organization. These narrow projects undertaken usually hints on what exactly needs to be done if the overall strategy is to be executed in a more successful manner (Ansoff, 1999).

This study was anchored on the resource based view theory, the industry organization theory and stakeholder theory of strategic management. The resource based view theory suggests that the resources a firm possesses are the key determinants of its performance, and these may add to a firms' sustainable competitive advantage. This theory has been used in this study to demonstrate that strategic planning uses organizational resources for its viability. This means that in order to develop a proper strategy, an organization should check on the resources available for implementation so as to minimize on the challenges it may encounter during implementation of the strategy.

The industry organization theory states that the section of specialization in which an organization defines to engage and carry its business it has a greater impact on the firm's performance compared to other various choices it's particular stakeholders make within their organizations. In this study, this strategy shows that most organizations are always advised to consider having their operations in an environment they are familiar with and attractive to its customers as far as services and products are concerned. Stakeholder theory was developed by Freeman in 1984 and is about distinguishing the groups who are stakeholders in a firm and the need to oversee them. The researcher argues that organizations operate within the context of communities and communities comprise of group of stakeholders who must be well coordinated and managed during implementation of any given strategy. The main purpose of applying this theory in this study was to show that lack of stakeholder involvement in strategy implementation is a challenge that faces many organizations. Furthermore, what motivated the researcher to carry out this research was to determine the challenges of strategy implementation among the cargo companies operating at JKIA.

The cargo companies in Kenya just like any other are guided by strategic plans which are formulated by the top management together with all stakeholders and presented for implementation. Strategy implementation helps the cargo companies at JKIA in developing, utilizing and merging organizational structure, control systems and culture that is geared towards organization's success, (Thompson & Strickland, 2005). Just like previous studies have shown, implementation of strategy is not easy and in most cases they have remained on paper for many organizations which have managed to formulate

any (Thompson & Strickland, 1989). Therefore, the current study was motivated by this common practice affecting many organizations and examined the challenges affecting strategy implementation among the cargo companies at JKIA.

### **1.1.1 Strategy Implementation**

Strategy is a method for unequivocally forming the long-term objectives and goals of an organization, characterizing the significant activity programs expected to accomplish those targets, and conveying the vital resources (Chandler, 1962). Bovaird (2009) contends that for an association that lacks strategy is seemed directionless and clumsy. Organizations the world over have increasingly adopted different types of management strategies for the day to day running of their organizations. Porter (1991) that the objective of strategy is to use a firm's center abilities and capacities and to set up and keep up a one of a kind quality in its products and services that would prompt a maintainable upper hand with respect to its competitors.

Strategy implementation implies completing the foreordained plans (Mintzberg, 1979). Strategy implementation is worried about the interpretation of procedure into authoritative activity through suitable structure and outline, asset arranging and the administration of key change (Johnson and Scholes, 2002). A few strategies are arranged and others simply rise up out of activities and choices of hierarchical individuals. The path in which a strategy is actualized can significantly affect whether it will be effective or not. As a rule, diverse individuals from the individuals who figured it do strategy implementation along these lines making it a troublesome errand since they may not see

it with an indistinguishable attitude from those engaged with the detailing. Thus, care must be taken to impart the procedure and the reasoning behind it. The implementation won't succeed if the strategy is misconstrued or if the influenced parties oppose its usage since they don't comprehend why the specific strategy was chosen (Thompson, 1993).

Strategy implementation process may include changes inside the general culture whole association aside from when such radical corporate wide changes are required, however the implementation of a system is commonly directed by center level and lower level directors with survey by top administration. Procedure execution regularly includes everyday choices in asset allotment. Organizations appear to have challenges while actualizing their strategies because of several difficulties experienced like a powerless administration in executing its strategy, lack of correspondence and limited guarantee to the technique, ignorance of the procedure, unaligned authoritative framework and assets, poor coordination and sharing of duties, lacking capacities, contending exercises, and wild natural elements (Brew and Eisenstat, 2000). In the current turbulent economic times, firms in Kenya work under expanding aggressive and regularly changing condition which puts them under strain to consistently audit their key designs or define new ones to suit the current patterns.

### **1.1.2 Cargo Companies in Kenya**

According to IATA, in 2016, cargo airlines transported 52 million metric tons of goods, representing more than 35% of global trade by value but less than 1% of world trade by volume. That is equivalent to \$6.8 trillion worth of cargo goods annually, or \$18.6 billion

worth of cargo goods every day. According to plane maker Boeing in 2012, cargo aircraft or cargo freighters handled about 60 percent of global cargo airfreight shipments, while passenger planes fly the other 40 percent in their bellies. Cargo business averagely generates 9% of airline revenues. This represents above twice what is generated as revenues.

Cargo companies play a significant role in the economy of Kenya. As such the companies have developed and adopted strategic practices and modes of operation in order to promote their efficiency. For instance, Kenya Airways, has opened a cargo express Centre at Jomo Kenyatta International Airport. The Centre is aimed at improving KQ cargo revenue as part of the turnaround strategy, while catering for premium cargo clients needing express services.

The facility has ensured Kenya Airways cargo customers get efficient and quick service targeting major courier and e-commerce players. It is a one-stop shop for airlines and freight forwarders to enhance efficiency in e-commerce logistics, electronic customers clearance and cargo handling services, mail-handling and airport ground handling service, (Wanzala, 2017). For example, cargo company like the Kenya Airfreight Handling Limited (KAHL) on their part have the export and import region measures 85,720 sq ft, the fundamental cold room measures 5,200 sq ft and the export cold room measures 262 sq ft, the cold room limit is 100,000 tons and the temperatures are - 18° and 2°C.

The new produce territory measures 33,133 sq ft, K AHL involves 9,352 sq ft of its office space and the rest of the space inside K AHL is possessed by various administrators. Likewise, accessible at K AHL is a solid room, banking facility, business center and 642 engine vehicle parking spaces and correspondence offices through intercom and phone augmentations, (Kenya Airways Authority, nd). The cargo sector in Kenya is showing massive improvement in its operation hence the potential to make JKIA the cargo hub for Africa.

### **1.1.3 JKIA Cargo Operations**

Jomo Kenyatta International Airport is an international airport in Nairobi, the capital of Kenya. Located in the Embakasi suburb 15 kilometers (9 mi) southeast of Nairobi's central business district, the airport has scheduled flights to destinations in over 50 countries, (Harro, 2017). The airport is named after Jomo Kenyatta, Kenya's first president and prime minister. The airport served over 7 million passengers in 2016, making it the seventh busiest airport in passenger traffic on the continent. In Kenya, this the largest aviation facility. In East Africa, it is considered the busiest (Corporate, 2010).

JKIA cargo facilities handles over 200,000 tons of cargo annually, and an animal holding facility which occupies 4,318.95ft. The cargo companies provide logistical solution which combines both air, sea, road and rail transportation, clearing and forwarding's, ware house, supply chain value addition activities like warehousing, clearing, forwarding, transit sheds, transportation, importation, exportation, inspection, animal holding and transportation, cold rooms storage facilities, specialized handling of dangerous and



harmful materials and weapons, banking halls, customs clearance and specialized freight stations, (Kenya Airways Authority, nd).

## **1.2 Research Problem**

Strategy implementation process is a very difficult process to execute hence it requires maximum professionalism, expertise and skills to be implemented in accordance with the organization requirements. However, Strategy implementation consists of operationalization process which involves securing, organizing and directing the use of resources within and outside of the organization. Securing resources includes staffing the organization and providing the development educational opportunities, and compensation and personal policies to attract and keep required human resources, (Ansoff & McDonnel, 1990). The successful implementation of strategic decisions and plans will largely depend on the method used in coming up with the strategies (Hezron, 2010). Further implementation of strategic decisions involves operationalizing and institutionalizing strategy. If every person in the organization is involved in the process of strategy formulation by giving their inputs, then they can own the process, (Kamaku, 2010). On the contrary, if the process is decided only by the senior management, then strategies decided on may be rejected by the employees. Therefore, failure in strategy implementation does not mean the strategy was bad. Moreover, Bennett (1996) asserts that strategies have to be dynamic to adapt to the ever-changing environment. Hence, there is no one-size fit all in strategic implementation and organizations have to develop different approaches that suit their circumstances.

Cargo companies operating at JKIA plays a very important role in the development of the air transport sector in Kenya. The companies operating at JKIA engages in different logistical and supply chain value addition activities like warehousing, clearing, forwarding, transit sheds, transport, importation, exportation, inspections, customs, animal holding, cold room storage facilities, dangerous holding material station centers. Despite these companies having very efficient and flexible strategies they undergo high critical challenges and experiences in implementation of their strategies hence limiting their capacities in exploring their potentials fully for competitive advantages. The challenges were to be addressed to ensure JKIA becomes the cargo hub of Africa (Altonen & Ikavalko, 2012).

Several studies have been carried out on the cargo companies operating at JKIA. For instance, Michael (2014) sought to investigate on how does DHL Express use cargo tacking system as a competitive strategy in service delivery. Liseche (2014) examined the factors influencing cargo customer satisfaction at Kenya Airways Cargo. However, none of these studies were focused on the challenges of strategy implementation among the cargo companies. Furthermore, these studies were based on a single company whereas the current study is based on the 40 cargo companies' operating at JKIA. Several studies have been carried out on challenges of strategy implementation. For example, Moeva (2007) undertook a study on challenges facing the implementation of strategy for revitalizing agriculture, Koske (2003) studied strategy implementation and its challenges in the public corporations, Elwak (2013) sought to address the challenges facing Kenya in strategy implementation and establish measures to minimize the challenges of strategy

implementation, Nyongesa (2013) carried out a study to establish strategy implementation challenges faced by Kenya Police Service and to determine the measures taken by the Kenya Police Service to address the challenges faced by the Service in Strategy Implementation and Keter (2015) examined the challenges of strategy implementation in the telecommunication industry in Kenya.

There is no universal approach to strategy implementation. Different organizations implement their strategies depending on the circumstances they operate as well as their environment. Previous studies have shown that different companies face different challenges during implementation which varies from one company to another. What are the challenges facing strategy implementation of cargo companies operating at JKIA?

### **1.3 Research Objective**

The objective of this study was to determine challenges of strategy implementation among the cargo companies operating at JKIA.

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

The study aimed at adding value to the theoretical foundation on strategic management practices and performance of organizations, by drawing a relationship between the implementation strategies and performance of cargo companies at the JKIA. Many researchers have carried out research in the air freight industry but haven't exhausted in the area of strategy implementation of air freight cargo operations management and more specifically on challenges facing strategy implementation among those companies.

The study could further form a body of knowledge from which scholars could get information for their academic assignments and projects. Other researchers could acquire information about a research topic from similar study conducted on the same area of research and thus form a basis for further research.

Furthermore, this particular research would pave way for more emerging issues within the cargo industry hence allowing more research on it. Academicians would also benefit greatly from this research. Strategy implementation is a topic that is covered in part of their studies but getting to study from case studies that have been researched on helps one be able to relate and comprehend much better. This would provoke the academicians to even look further into the topic and come up with further studies on the same so as to exploit this topic further which is much wider.

The study could be used by the management of JKIA cargo companies in the development of policies that would ensure effective change management in the industry. Other institutions could use the study to come up with policies that would improve change management in their firms. Policy makers and Government could find the findings of this study as a basis for policy development. The study could provide information on the challenges and strategies in change management in JKIA cargo companies. The findings could be used by airfreight cargo companies' management to come up with corporate strategies that enable firms to remain competitive and implement change successfully.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The literature on the subject matter of study was reviewed in this chapter. It constituted the theoretical foundation of the study. Particulars covered in this section included theoretical foundations on which the study was built on. Strategy implementation has been ignited from the need for organizations to be proactive in dealing with its due to progressively increasing turbulence of the environment both internal and external.

#### **2.2 Theoretical Foundation of the Study**

The theories used in this study were Resource Based View Theory developed by Wernerfelt (1984), The Industry Organization Theory by Hitt et al (2002) and Stakeholder Theory developed by Freeman (1984). These theories were discussed below.

##### **2.2.1 Resource Based View Theory**

Competitive advantage of an organization is largely influenced by the distinctiveness of its capabilities. The theory of Resource Based View was developed by Wernerfelt (1984), and suggests that the resources controlled by a firm are the essential determinants of its performance, and these may add to a sustainable competitive advantage of the firm. In the resource-based theory, strategic planning utilizes resources of an organization to create a viable strategy. This means that in order to develop a strategy an organization should check on the resources available for the implementation of a specific strategy like Change strategy, (Wernerfelt, 1984).

The RBV theory was explained by the spearheading work of Barney, Ketchen & Wright, (2011). A couple of research zones connects the improvement of the RBV, for example, organizational economics and strategy. The operationalization of RBV shifted in the way the hypothesis clarified firm performance in strategy research. The RBV was however was fruitful in drawing in attention regarding the abilities and capabilities at the firm level. On the other hand, the RBV blended transaction cost theory and agency theory and among other theories in organizational economics. Agency theory features particular resources while transaction cost theory gives a superior comprehension of the capacities and roots of various market structures for exchanging services with the external environment (William, Hoskisson, Short & Yiu, 2010).

The work of Pablo, Reay, Dewald and Case beer, (2007) in the 1950's was exceptionally viewed as a move in the act of the RBV. The scholars investigated the link that existed between firm growth and firm resources. Organizations ought to be conceptualized as a managerial system comprising of a heap of resources. Along these lines, the development of a firm is restricted by this vital part of a firm, (Peblo et al, 2007, William et al., 2011). The firm's internal and external growth through mergers, acquisitions, and diversification, is because of the route in which exploitation of resources occurs. (Peblo et al, 2007, Newbert, 2007).

The theory provides theoretical underpinnings for understanding how resources can be managed strategically and efficiently. The theory is relevant to the current study in that the researcher seeks to establish the challenges in strategy implementation for cargo

companies operating at JKIA. Put in the context of the current study, the researcher argues that for a successful strategy implementation, the organization should be able to distribute resources and control its performance to be in line with its strategy.

The theory emphasizes that organizing resources includes the philosophy of the organization's management and the view of human nature underlying it, the formal and informal organizational structures, and the overall climate of institution and the role of communication and information both formal and informal, (Wernerfelt, 1984).

### **2.2.2 The Industry Organization Theory**

The industry organization model states that the section of specialization in which an organization defines to engage and carry its business in has greater impact on firm's performance compared to other various choices it's particular stakeholders make within their organizations (Hitt et al., 2002). Most organizations are always advised to consider having their operations in an environment they are familiar with and attractive to its customers as far as services and products are concerned. This greatly helps them to implement particular strategy which is in line with industrial structural characteristics (Hitt et al., 2005). Beer and Nohria (2010) and Porter (1979) are some of the great scholars that contributed widely to the industrial organization theory.

Porter (1979) identified the five forces models that embody the rule of competition. These forces determine the industry's profitability. The five forces are: bargaining power, suppliers', buyers', bargaining power, product substitutes, completion from rivalries from

organizations and very potential threat entry to the industry (Porter, 1979). The I/O model clearly hints that the above key elements mentioned above are gained in an organization when given strategy is implemented as clearly defined by traits of the general, industry and competitor environments (Hitt et al., 2005) This industry organization concept has four major assumptions: The external environment is a major element that is highly assumed to impose given necessary constraints and pressure that usually determine result in above average returns through given results.

Wirth and Bloch, (1995) uses industrial organization theory to critically examine the media economics literature. This is provided in media-related journals. The theory also makes practical suggestions on how to apply industrial organization theory to research questions that are attempted to be answered by researchers interested in media economics. Industrial organization theory review and discussion of more recent developments involving industrial organization theory is provided.

The context of the current study, the theory has been used mainly to explain the ownership advantages nature that arises from specific intangible asset ownership, from firm's ability to coordinate multiple and geographically dispersed value-added activities and to capture risk diversification gains so as to minimize on the challenges of strategy implementation.



### **2.2.3 Stakeholder Theory of Strategic Management**

The stakeholder theory of strategic management is a theory of organizational management and business ethics that deals with morals and values with the aim of managing an organization. The theory was first pioneered by Freeman, (1984) in his book "Stakeholders of the organizational Mind" The book was published in San Francisco in 1985. Maximizing for stakeholders advanced through Freeman's "Strategic Management: A Stakeholder Approach" which turned into the theoretical ground for further improvements. Stakeholder theory contradicts the free market standard of shareholders capitalization and promotes stakeholder maximization.

For a long time, financial experts have been characterizing the reason for a business as an instrument to gain by shareholders, this was additionally alluded to as the lawful motivation behind a business. Stakeholder scholar Leisyte, and Westerheijden, (2014) expressed this is as an error given that law has not characterized the reason for a business to gain by shareholders. This may likewise mirror the reason for an undertaking as an instrument built up to convey advantages to its stakeholders that incorporate the project owner. Stakeholder theories generate into various criteria models and branches for instance the three scientific categorizations of standardizing, instrumental, and clear, the essential and auxiliary area: the typology of authoritative stakeholders, the resource-based influential strategies and managing for stakeholders (Freeman, Edward and Alexander, 2013).

Stakeholders have been characterized and conceptualized in a large range from expansive to limit. Freeman (1984) provided one of the earliest wide and great definitions. He characterized stakeholder as a person or group that can influence or be influenced by organization's targets accomplishments. Guy, (2002) gave a more limited view characterizing stakeholder as people or establishments that are either under or past the director's power, and clearly or by suggestion get impacted by the procedure's outcome, and have offer or stake or an excitement for affiliation.

Donaldson and Preston, (1995) led a meta-analysis on stakeholder's theory in strategy management discipline. The scholars discovered that Freeman's definition has become stakeholder main definition for strategy implementation field as of 2006 onwards. The research viewed stakeholder as individual(s), or group(s), or organization(s) having property rights, or an interest (self or moral) or human rights in the organization, and can impact or be impacted by the implementation activity or its outcome. This definition departs from the networked and dynamic environment of stakeholder community giving voice to all may count, (Rajablu, Marthandan, Fadzilah, & Yusoff, 2015).

It's a theory of organizational management and business ethics that addresses morals and values in managing an organization. It has a coupling lawful commitment to put their requirements to start with, to build an incentive for them. Stakeholders theory contends that there are different parties included: representatives, clients, providers, agents, groups, government bodies, political gatherings, exchange affiliations and exchange unions (Freeman, 1984).

The stakeholder theory is relevant in the current study as the quality of relationships with stakeholders is a key determinant to successful implementation of strategy and identifying the underlying challenges. Those stakeholders who are directly involved should be recruited as advocates, allies should be encouraged, opponents be neutralized, maintain dialogue with independent stakeholders and monitor and anticipate those that are not involved in the organization as a core challenges during strategy implementation, (Freeman, 1984).

### **2.3 The Concept of Strategy**

According to Chandler (1962), strategy is defined as an establishment of long-term goals and objectives of an organization, including the process of taking action and allocating resources for achieving goals. Due to scarcity of resources, the strategy that is chosen should be one that optimizes resources in the pursuit of the organizational goals and objects. Johnson and Scholes (1999), further define strategy as the direction and scope of an organization over the long term. Through which organizations achieves advantage through its resources configuration within a changing environment and to fulfill stakeholder expectations.

Hax and Majluf (1996), define strategy as a system through which an organization can at the same time affirm its essential progression and encourage its adjustment to an evolving situation. While there is much affable contention on substance, there is understanding that strategy is stressed over the match between an organization's capacities and its outside condition. Regardless, specialists contrast on how this may be done. Some say it is in

regards to utilizing cautious investigation to comprehend and impact an organization's position in the commercial center. Poister (2010) additionally battles that the best methodology is adjusted towards radical change and making another vision without limits in which you are a pioneer rather than an enthusiast of examples set by others.

In the past, strategy perspective fall into two camps. There are the people who compare method with masterminding. According to this perspective, information is collected, separated and analyzed, gauges are made, and senior directors consider crafted by the arranging division and pick what the best course for the association is, (Hezron, 2010). This is a best down approach to manage strategy. Others have a less sorted out point of view of framework as being more about the system of organization. As showed by this second perspective, the key issue is to set up a game plan of organization that will empower the capacity of the organization to respond to a circumstance that is fundamentally puzzling, unusual and, not pleasant to an arranging approach, Mintzberg (1990). Distinctive associations will consolidate a portion of the parts of the primary point of view with some from the second viewpoint. This will for the most part rely upon the objectives of the association and the favored management style, (Lekasi, 2010).

#### **2.4 Strategy Implementation Process**

Strategy implementation consists of operationalization process which involves securing, organizing and directing the use of resources within and outside of the organization. Securing resources includes staffing the organization and providing the development educational opportunities, and compensation and personal policies to attract and keep required human resources (Ansoff & McDonnel, 1990). Organizing resources includes

the philosophy of the organization's management and the view of human nature underlying it, the formal and informal organizational structures, the overall climate of institution and the role of communication and information both formal and informal, (Pearce & Robinson 1997).

Directing the utilization of resources embraces the managerial activities associated with coordinating the use of all resources including planning and incentives needed to motivate organizational members and to monitor activities in the use of other resources (McCarthy et al., 1996). Strategy implementation is a phenomenon of translating particular chosen strategy into organizational action with the aim of achieving specific and general strategic goals and objectives. Strategy implementation helps organization in developing, utilizing and merging organizational structure, control systems and culture that is geared towards organization's success, (Ansoff & McDonnel, 1990).

Great values attributed to employees are cultivated in them through a well-organized structure that provokes great performance resulting to competitive advantage mileage over the rest of the competitors within the same industry. Successful strategy implementation has five main steps: The first step involves evaluating the strategic plan. Implementation process is to progress back and guarantee that you understand what the vital arrangement is. Audit it appropriately and include any segments of the game plan that might be especially testing (Alexander, 1990). See any parts of the course of action that might be far-fetched or over the best in cost, both of time or money. Highlight these, and influence sure to recollect them as you to begin realizing the key course of action. Keep in mind move down thoughts in case the primary plan fizzles, (Ansoff, 1999).

The second step involves creating vision. This vision might include a number of goals to be reached, step by step. It also includes the items that have to be completed. Everyone needs to be aware of the final result why it is necessary. Establish a clear picture of what the strategic plan intends to achieve (Ansoff, 1999).

The third step involves structure transformation. This needs a transformation to structure improvement. One has to ask if the organization structure allows strategy to move across and down the organization. This should be in a manner that meaningfully and efficiently delivers the strategy. Strategy implementation fails if an organization tries and forces a new strategy into an outdated structure. Therefore, it's necessary for structure to follow strategy (Alexander, 1990).

Engaging staff is the fourth step. Strategy execution fails mainly because of lack of organization support. The strategy fails if the Staff and basic stakeholders don't grasp and put the technique into action. The significance of this progress can't be downplayed. In case your staff are not conveying the strategy, at that point the procedure has fizzled. The last & final step involves monitoring & adapting. A strategy is viewed as a living and breathing document, our strategies must be adaptable and flexible always so they can respond to changes both in the internal & external environments, (Alexander, 1990).

## **2.5 Challenges of Strategy Implementation**

There are several challenges that affect strategy implementation in different organizations'. They may include: leadership styles, resources availability, corporate

structure and organization culture. Leadership is the procedure of influence, where an individual actuates a gathering to seek after specific targets.

Bartlett and Goshal (1996) perceive the part of center administrators, contending they are the key on-screen characters who have a critical part in vital correspondence and implementation of strategies. Middle managers are viewed as the undermined noiseless resistors whose part needs to change more towards that of a "mentor", building capacities, offering help and direction through the support of entrepreneurial traits. In this way, on the off chance that they are not dedicated to playing out their parts the lower positions workers won't be offered help and direction through support of entrepreneurial characteristics. Notwithstanding the over, another inhibitor to effective strategy implementation that has been getting a lot of consideration is the effect of an organization's current administration controls and especially its planning frameworks (Marginson, 2002).

Another challenge to strategy implementation are organization resources. All organizations have no less than four sorts of resources namely: financial, physical, human resources and technological resources (Thompson, 1990). Perhaps the most important resource of an organization is its people (Johnson and Scholes, 2003). Furthermore, organization is a social system relationship (formal and informal) among the people who individually and jointly subscribe to same goal(s) and to which they direct their actions. Where the needs of the individual and the demands of an organization are incompatible transactions and conflict are bound to occur and strategy implementation cannot be achieved. During the process of strategy

implementation, how relationships beyond the organization are fostered and maintained will influence performance further while organizations and groups may be assumed as taking strategic actions, it is individuals who ultimately, in practical terms take action and are responsible for driving an organization or a group towards objective.

Another challenge to strategy implementation are organizational structures. Organization structures influences the type of strategy used by an organization. Hall et al. (2003) identifies three organizational structure variables: formality, complexity and centralization. The structural design of the organization causes individuals to pull together exercises that advance compelling implementation. The structure of the organization ought to be predictable with the procedure to be executed. Besides the idea of the organization structure to be utilized as a part of actualizing procedure is affected by the earth security and the reliance of the diverse units. Inability to address issues of the expansive basic plan of parts, obligations and lines of revealing can at any rate, compel strategies advancement and execution (Koske, 2003).

Another challenge to strategy implementation are organization cultures. Organizational culture is a key factor in strategy implementation. Organizational culture alludes to the administration style of supervisors: how they invest their energy, what they concentrate consideration on, what questions they ask of representatives, how they decide. Organization culture is among the real issues, in light of the fact that the social measurement is key to all parts of hierarchical conduct (Alvesson, 2002). On the off chance that strategy implementation will understand its maximum capacity of drastically



enhancing the way organizations work together, changing of the organization culture must be viewed as an indispensable piece of the procedure. Frameworks can't be produced regardless of the general population that will oversee and working those frameworks. One of the main motivations why some procedure strategy implementation ventures don't make the level of progress the organization expects is on account of the association or useful administrator did not manage the issue of organization culture change. Greengard (1993) says that an organization should endeavor to include the staff at all phases of the implantation process.

## **2.6 Empirical Studies and Research Gaps**

Bamber et al. (1999) study aimed at investigating the factors affecting the successful implementation of strategy. This study focused on UK manufacturing Small & Medium-Size Enterprise (SME). There are different reasons for UK manufacturing organizations strategy failure: lack of commitment of top management, lack of structure, deployment of inexperienced consultants among others were outlined by Davis (1997). Cooke (2000) adds that the failure to create dissatisfaction with the present situation and failure to change organizational roles and culture (Lawrence, 1999) had posed one of the greatest challenges to strategy implementation.

Moeva (2007) undertook a study on challenges facing the implementation of strategy for revitalizing agriculture. He found out that challenges of institutionalization of strategy, awareness and ownership of strategy indicated that frontline staff were not aware of the strategy and did not feel like they own the strategy. According to Higgin (1990), the most

important forces that can alter the rules of competition is technological change, especially information technology. This is because most activities of an organization generate and utilize information. One of the key elements or drivers of globalization is the use of information and communication technology. Poister (2010) argues that managers depend on getting the right information at the right time to be able to make good decisions. In this dynamic business environment, it is critical to have timely and correct information; therefore, use of ICT systems enables management of complex organizations with ease. As organizations want to be cost effective and efficient it is imperative to have the right ICT support systems and in working order. These systems also allow for ease of tracking performance.

It has been noted in the literature that strategy implementation isn't a simple assignment. Strategy implementation disappointment is a direct result of absence of an emotionally supportive network to encourage learning and change learning into viable dispersion of new program. It has been watched that a significant number of the organization that endeavor to actualize new strategy encounter challenges and are not ready to accomplish the expected advantages (Bakerjan, 1994). A portion of the conspicuous issues in strategy implementation incorporate fractional usage of activities, absence of a very much characterized routine for achieving the goals of usage (poor authoritative structure) and social protection from change, (Crawford et al., 1988: Becker, 1993).

Koske (2003) considered strategy implementation and its difficulties in people & general enterprises. He found out that poor management of resources, poor leadership, lack of

financial resource, limited IT capacity, lack of involvement and government regulations were highly responsible for the poor implementation of the strategy. Corporate culture did not support the strategy implementation despite the strategy being documented in all tools necessary for successful implementation. Lack of alignment of functional strategy with corporate strategy was also identified. There was of congruence and coordination.

Elwak (2013) sought to address the challenges facing Kenya in strategy implementation and establish measures to minimize the strategy implementation challenges. The results showed that strategy implementations impacted by the industry forces especially competition and changes in economic conditions. The results further showed that in strategy implementation, employees and managers were fully involved.

Nyongesa (2013) carried out a study to establish strategy implementation challenges faced by Kenya Police Service and to determine the measures taken by the Kenya Police Service to address the challenges faced by the Service in Strategy Implementation. The study found political interference, evolution of international terrorism; inadequate human resources, inadequate modern security equipment, insufficient funds and change of Government rules and regulations were cited as some of the other factors affecting implementation of the strategies. Some of the measures suggested included the need to align the organization culture to its strategy, motivation of staff to enhance performance, accountability of the leaders, fast communication of the strategy and teamwork. Strategy formulation process in the organization projects follows a top-down approach while implementation process adopts a bottom up approach.

Keter (2015) examined the challenges of strategy implementation in the telecommunication industry in Kenya. It was revealed that implementation of strategy was affected by the organization structure, administrative systems as well as the organization leadership. This is an indication that indeed all the organization factors affected the strategy implementation process. It was also concluded that government licensing, strategic alliances as well as regulations on pricing are the government factors affected the strategy, implementation process of the telecommunication industry in Kenya. Finally the study reveals that market growth rates, first mover advantage and finally market positioning affect strategy implementation.

Empirical research done on challenges of strategy implementation has produced differing findings as revealed in the literature, with some revealing a positive relationship while others state that there is no such relationship. There is no single superior model or approach for strategic implementation though this strategic implementation models seem to have followed a logical sequence. This means that there is no blueprint of organizational strategic implementation processes. At the same time none of these studies were focused on the challenges facing cargo companies especially those operating at JKIA. This research was meant to address this gap and exhaustively present the challenges facing implementation of strategies among the cargo companies operating at JKIA.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The chapter presented the research methodology of the study. It explained the research design adopted by the study. It also gave the population of the study, data collection procedures and data analysis.

#### **3.2 Research Design**

Orodho, (2003) defines research design as the outline scheme, or plan used to generate answers to research problems. A number of considerations determines the choice of a research design: the research purpose, categories of data needed, data sources and the cost factor. Through research design one is able to effectively address the research problem logically and as unambiguously. For this study, cross-sectional survey design was used.

A cross-sectional research design is a scheme, an outline or plan that is used to generate answers to research problems (Orodho, 2003). Barratt and Maria, (2009) adds that there are three distinctive features contained in cross-sectional research. First, there is lack of time dimension, secondly rather than change following intervention, there is dependence on existing differences; and lastly rather than random allocation, groups are selected based on existing differences. Researchers use this design to employ a relatively passive approach. This enables them make causal inferences based on findings, (John, 2008).

### **3.3 Population of Study**

A population is a well-defined or set of people, services, elements, and events, group of things or households that are being investigated to generalize the results. Kombo & Tromp (2006) define population as the larger group from which the sample is taken. The populations in this study were all the 40 cargo companies operating at Jomo Kenyatta International Airport.

### **3.4 Data Collection**

This study employed primary and secondary data. Through structured questionnaires which were formulated on the basis of the research objective, primary data was collected. This means that the questionnaire had two parts. The first part contained information on the demographic characteristics of the respondents, and section B contained questions on the challenges of strategy implementation among the cargo companies at JKIA. Secondary data was obtained from journals, magazines, company websites and other published material.

The study respondents were all officers working for the cargo companies operating at JKIA who hold the position of strategic managers who are 40 in number. The reason for this is that they are in charge of either sections or in out stations and they are the heads of those stations involved in strategy implementation. This puts them in a position where they can influence decision making at station level or section level and also because they are the ones at the forefront in the implementation process. The full list of these officers was obtained from the JKIA human resource department.

### **3.5 Data Analysis**

The data was analyzed and interpreted using descriptive statistics like mean, standard deviation, percentages and frequencies given the quantitative nature of the data, to make inference on the challenges JKIA cargo companies face during strategy implementation. Data collected was tabulated and analyzed for purpose of reporting the findings of the study.

The findings were presented using frequency tables and percentages for ease of interpretation. Tables are usually best for displaying structured, numeric information, while graphs and charts are better for showing relationships and making comparisons and indicating trend. This was meant to give a clear presentation on the findings of the study, (Creswell, 2008). The responses from the questionnaires then were listed to obtain proportion appropriately of the responses then reported by descriptive narrative

## **CHAPTER FOUR**

### **DATA ANALYSIS, FINDINGS AND DISCUSSION**

#### **4.1 Introduction**

This chapter presents the research findings on the challenges of strategy implementation among the cargo companies operating at JKIA in Nairobi, Kenya. The study question was, what are the challenges facing strategy implementation among the cargo companies operating at JKIA? The study sampled 40 strategic managers from the cargo companies at JKIA and all of them took part in the study giving a 100% return rate of the data collection exercise which is acceptable according to Creswell, (2012) who recommends that “during a research work, when the data collection exercise yields a response rate of 50% is good but it is excellent when the response rate is 70% and above”. The findings were presented below.

#### **4.2 Demographic Information of the Respondents**

This section contains information on the organizations where the respondents were drawn from, age distribution of the respondents, the number of years they have worked with the organizations, their level of education, professional qualifications, the gender distribution of the respondents, and their marital status.



#### 4.2.1 Profile of the Organizations

The first item on this study sought to establish the organizations were the respondents were drawn from. Since all the respondents who were sampled took part in the study, the companies where they were drawn from were presented on appendix I.

#### 4.2.2 Age Distribution of the Respondents

The second item sought information on the respondents' ages. The response was presented in table 4.1.

**Table 4.1: Age Distribution of the Respondents**

<b>Age of the respondents</b>	<b>Number of respondents</b>	<b>Percent</b>
36 - 45 years	8	21.4
46-55 years	32	78.6
<b>Total</b>	<b>40</b>	<b>100.0</b>

**Source: Fieldwork (2017)**

The study found that most of the respondents are people who have acquired a lot of experience in the corporate world with over 45 years age bracket at 78% while those who were slightly younger were rated at 21.4% for being above 36 years. It also came across that these respondents are people who have been working with these companies for a long time and therefore have acquired a lot of experience in understating the process of strategy implementation in their companies, the challenges that have been encountered together with the methods that have been used to deal with these challenges.

### 4.2.3 Level of Education

The researcher sought to establish the academic qualifications of the respondents. The findings are shown in Table 4.2.

**Table 4.2: Level of Education**

<b>Level of Education</b>	<b>Number of Respondents</b>	<b>Percent</b>
O level	6	14.3
Tertiary	8	21.4
Under graduate	20	50.0
Post Graduate	6	14.3
<b>Total</b>	<b>45</b>	<b>100.0</b>

**Source: Fieldwork (2017)**

Most of the respondents have acquired their first degrees in various fields such as engineering design, sociology, business economics, purchasing and supplies, project management, international studies, gender and development studies at a response rate of 50%. They were followed by the tertiary level respondents at 21.4% while those who have master's degrees and PHDs in various fields were rated at 14.3% as well as the ones with O-levels who were also rated at a similar response rate of 14.3%.

#### 4.2.4 Number of years working with the Organization

The researcher sought to establish the number of years the respondents have worked with their various organizations. The responses are presented in table 4.3.

**Table 4.3: Number of years working with the Organization**

<b>Number of years</b>	<b>Number of respondents</b>	<b>Percent</b>
Over 10 years	23	57.1
1-5 years	11	28.6
6-10 years	3	7.1
Less than 1 year	3	7.1
<b>Total</b>	<b>40</b>	<b>100.0</b>

**Source: Fieldwork (2017)**

As shown in Table 4.3, 57.1% had worked with their organizations for over 10 years. They were followed by those who have worked with the companies for 1-5 years at a response rate of 28.6% while 7.1% had have been working with these organizations for 6-10 years and those who had been working with the companies for less than 1 year were rated at 7.1 % also.

#### 4.2.5 Professional Qualifications

With their level of education, the respondents were also specialists as finance directors, country project coordinators, project managers, architects, volunteers and general directors of various projects for their organizations as shown in table 4.4.

**Table 4.4: Professional Qualifications**

<b>Age of the respondents</b>	<b>Number of respondents</b>	<b>Percent</b>
Finance directors	4	9.5
Project coordinators	4	9.5
Project managers	6	15.5
Architects	10	26.2
Volunteers	11	27.4
General directors	5	11.9
<b>Total</b>	<b>40</b>	<b>100</b>

**Source: Fieldwork (2017)**

#### **4.2.6 Composition of the Respondents by Gender**

The respondents were asked to indicate their gender. It was observed that majority of the respondents were female at a response rate of 64.3 % while the male respondents were rated at 35.7%. The responses are presented in Table 4.5.

**Table 4.5: Composition of the Respondents by Gender**

<b>Gender</b>	<b>Number of respondents</b>	<b>Percent</b>
Male	14	35.7
Female	26	64.3
<b>Total</b>	<b>40</b>	<b>100.0</b>

**Source: Fieldwork (2017)**

#### 4.2.7 Marital Status

The last item on the demographics of the respondents was on the marital status of the respondents. Their response was presented in table 4.6.

**Table 4.6: Marital Status**

<b>Marital status</b>	<b>Frequency</b>	<b>Percent</b>
Single	12	30.1
Married	27	68.3
Divorced	1	0.8
<b>Total</b>	<b>40</b>	<b>100.0</b>

**Source: Fieldwork (2017)**

The table shows that most of the respondents were family men and women at 68.3% followed by those who were still singly at 30.1% and finally those who were divorced at 0.8%.

#### 4.3 Challenges of Strategy Implementation for Cargo Companies Operating at JKIA

In this section, the study sought response from the respondents concerning the effect of challenges of strategy implementation at the Jomo Kenyatta International Airport. The respondents were required to indicate their level of agreement with the challenges they have experienced in their organisations. The responses gathered were shown in the table below & the findings further explained in the succeeding sections.

**Table 4.7 Challenges of strategy Implementation**

<b>Challenges of strategy Implementation</b>	<b>N</b>	<b>Mean</b>	<b>Std Deviation</b>
Lack of proper information	40	4.675	0.5723
Lack of good will from stakeholders	40	4.500	0.8473
Lack of financial resources	40	4.325	0.9971
Lack of proper involvement of stakeholders	40	4.200	0.6869
Inadequate resources	40	4.175	1.4122
Lack of communication	40	4.050	1.1311
Lack of organizational support	40	3.975	0.8619
Unclear strategic plan	40	3.900	1.1940
poor management of resources	40	3.775	1.2908
Lack of planning	40	3.600	1.4815
Lack of motivation/enthusiasm from the staff charged with process of implementation	40	3.600	1.4815
poor organizational structure	40	3.275	1.5687
Average mean		4.004	

***Key: 1- Strongly disagrees, 2- disagree, 3 – neither disagree nor agree, 4 – agree, 5- strongly agree.***

**Source: Fieldwork (2017)**

#### **4.3.1 Lack of Goodwill and Proper Involvement of Stakeholders**

The study sought to identify if lack of goodwill and proper involvement of stakeholders presented a challenge to strategy implementation. The findings revealed that to a great extent lack of proper involvement of stakeholders at a mean of (4.200) and a standard deviation of (0.6869) and lack of good will from stakeholders at mean of (4.500) and a standard deviation of (0.8473) hindered implementation of a strategic plan.

Goodwill and proper involvement of stakeholders is crucial for strategy implementation as they act as the custodian of the plan which provides the vision guidance in the implementation of the strategy including reviews. Stakeholders such as managers provide support for their employees and acts as role models in strategy and regular evaluation. Stakeholders also play a major role in the provision of financial resources to the firm.

#### **4.3.2 Inadequate Resources (Financial Resources)**

The study revealed that the one of the main challenges influencing strategy implementation of cargo companies at the Jomo Kenyatta Airport was inadequate financial resources at a mean of (4.325) and a standard deviation of (0.9971); and inadequate resources at a mean of (4.175) and a standard deviation of (1.4122). Inadequate financial resources hinder the firm from achieving its goals. These goals are clearly outlined in a firms strategic plan. All the activities in the plan require adequate resources to conveniently execute the plan.

Time resource was also highlighted as an impediment. It was argued that when there is time shortage some of the partners quit before the implementation is complete. All agreed

that strategy implementation requires availing of all the necessary resources for it to succeed. Resources if inadequate in some instances may force projects to be rolled over to the next financial year. Firms usually formulate a strategic plan yet it was not possible to implement strategies which require more resources than could be made available. It was noted that too little resources stifled the ability to carry out the strategic plan to the fullest.

#### **4.3.3 Lack of Communication and Proper Information**

The respondents indicated that lack of communication was a major challenge as it scored a mean of (4.050) and standard deviation of (1.1311). Lack of proper information at a mean of (4.675) and a standard deviation of (0.572). Inadequate or unclear communication is a challenge in implementing a strategic plan. This can be caused by excluding a critical document as part of the orientation package which is supposed to inform parties to strategy implementation about the strategic direction of the firm when knowledge sharing is limited.

Strategy implementation requires adequate communication to the stakeholders in a company, that is, employees of the organisation. Communication could be done through company blogs, staff training and retreats, email exchange, notice board and through meeting. Communication channel should be two so that it could provide information for learning purposes and knowledge dissemination.



#### **4.3.4 Lack of Organizational Support**

The study findings revealed that one of the major challenges to strategy implementation was organizational support with a mean of (3.975) and standard deviation of (0.8619). Organisations get support from stakeholders such as board of governors, top leadership and employee. Their commitment to strategy implementation plays a crucial role. Lack of organisational support hinders or delay specific activities in the operational plan derived from the strategic plan and linking these activities to overall goals outlined in the strategic plan.

Organization support inform of adequate provision of resources was found to provide a challenge to the strategy implementation process. Employee commitment also hinders implementation if they are not involved in strategy plan implementation due to poor motivation and remuneration.

#### **4.3.5 Poor Management of Resources**

Poor management of resources provided a challenge to implementation of strategy to a moderate extent. It scored a mean of (3.775) and a standard deviation of (1.2908). Poor management of resources plays a tremendous role in strategy implementation. Poor management of resources would involve corruption, embezzlement of funds and negligence.

Poor management of resources can also be attributed to inability of management to match employee performance and reward system with implementation of strategy.

Implementation of strategic plan require financial resources in order to achieve goal. The challenges arises where there is an inadequate provision of finance or increasing of competition over resources.

#### **4.3.6 Lack of Planning and Unclear Strategic Plan**

Lack of planning scored a mean of (3.600) and standard deviation of (1.4815). The problem of poor planning by the formulators of the strategy leads issues such as inadequate resources since raising financial resources to implement the strategy is also time consuming and can cause implementation to take more time than originally planned. Also, not properly planning for in security levels and a fit between strategy and structure impact the implementation which can cause certain activities to be delayed.

Unclear strategic plan hinders strategy implementation to moderate extent. It scored a mean of (3.900) and standard deviation of (1.1940). Unclear strategic plan could be attributed to inadequate involvement of staff when setting overall goals. Further, middle level managers and departmental heads need to inform employees of any change in goals and strategies. Unclear strategic plan usually occurs when there is no close coordination among top management, middle management and supervisory levels.

#### **4.3.7 Lack of motivation/enthusiasm from the staff charged with process of implementation**

Lack of motivation/enthusiasm from the staff charged with process of implementation hindered the implantation process to a moderate extent. This scored a mean of (3.600)

and a standard deviation of (1.4815). Employees, board of directors and trustees play a major role in implementing a strategic plan. The enthusiasm of those charged with implementation ensures focus and commitment.

This calls for the management to increase the involvement of staff when setting overall goals. In addition, middle managers and supervisors need to inform employees any change in the overall goals and strategies.

#### **4.3.8 Poor Organizational Structure**

The researcher sought to find out if organization structure provides a challenge to strategy implementation. The study findings revealed that poor organizational structure is a challenge to strategy implementation which scored a mean of (3.275) and a standard deviation of (1.5687). Organisation structure constitutes departmental/ functional heads, trustees, board of directors and executive director. The structure of the organisation should be in line with the organisations strategy to ensure that responsibilities and activities have been organised based on the functions of each department.

The structure of the organisation should be consistently revised to ensure compatibility with the strategic plan. Adjusting the organisation structure would involve a breakdown of how work is to be carried out in functional departments. Periodic assessment of roles to ensure proper revision of the structure to be in line with the strategic plan, make adjustments with regard to position, roles and responsibilities to ensure new areas of focus are effectively implemented and monitored.

#### **4.4 Discussions of the Research Findings**

The study found that the cargo companies operating at JKIA faced challenges during strategy implementation including lack of proper planning, lack organizational support and poor structural plan, lack of motivation/enthusiasm among the staff, lack of proper information/communication, poor involvement of stakeholders in the process strategy implementation, lack good will from the stakeholders, inadequate resources / poor management of resources, unclear strategic plan, poor skills from the staff charged with strategy implementation and coordination strategy implementation team among many others.

The findings have been able to expose the weaknesses of strategy implementation process among the cargo companies operating at JKIA which is a new area of research since most of the past studies have been focused on other industries, and not the cargo industry. Further the finding gives the stakeholders the chance to reassess their strategy implementation plans and formulate ways to deal with the challenges identified in order to improve their service delivery and also strengthen the competitive edge in the market.

##### **4.4.1 Comparison with Theory**

The findings of this study are in agreement with resource based view theory that argues competitive advantage of an organization is largely influenced by the distinctiveness of its capabilities. The theory suggests that the resources possessed by a firm are the primary determinants of its performance, and these may contribute to a sustainable competitive advantage of the firm. The findings show that one of the challenges facing the companies

were their resources where the researcher argues that if they fail to pay keen attention to the availability and accessibility of adequate resources for strategy implementation, the companies competitive edge is comprised and vice versa. In the resource-based theory, strategic planning uses organizational resources to generate a viable strategy. This means that in order to develop a strategy an organization should check on the resources available for the implementation of a specific strategy like Change strategy, (Wernerfelt, 1984).

The findings of the study are in agreement with the industry organization model which argues that the section of specialization in which an organization defines to engages and carry its business in has greater impact on firm's performance compared to other various choices it's particular stakeholders make within their organizations (Hitt et al., 2002). Most organizations are always advised to consider having their operations in an environment they are familiar with and attractive to its customers as far as services and products are concerned. This greatly helps them to implement particular strategy which is in line with industrial structural characteristics (Hitt et al., 2005). Beer and Nohria (2010) and Porter (1979) are some of the great scholars that contributed widely to the industrial organization theory. For the cargo companies, their line of business is in cargo transit and there if they don't deal with the challenges facing their strategy implementation process, they may comprise on their line of business and performance as well.

The study findings are in agreement with stakeholder's theory of strategic management which argues that all stake holders play a key role for any organization success, Freeman (1984). In the current study, it was established that there was poor involvement of the key

stakeholders in strategy implementation processes and therefore from the premise of this theory, the researcher argues that the cargo companies cannot ignore the role of all stakeholders in making sure the full involvement and support of stakeholders during strategy implementation is a key step.

#### **4.4.2 Comparison with other Studies**

Findings of the study agree with moeva (2007) who argued that frontline staff were not aware of the strategy being implemented and did not feel like they own it. Finding of the study also are in agreement with Higgin (1990) who argued that ICT systems played a very significant role in management and eased up the implementation process. Findings of the study moreover agreed with Bakerjan (1994) who argued that successful implementation of a new program is attributed to good management support, organization culture, innovation & strategy adoption. The vice versa of above fails the program.

Findings of the study are in agreement with Koske (2003) who argued that poor management of resources, poor leadership, lack of financial resource, limited IT capacity, lack of involvement and government regulations were highly responsible for the poor implementation of the strategy. Corporate culture did not support the strategy implementation despite the strategy being documented in all tools necessary for successful implementation. Lack of alignment of functional strategy with corporate strategy was also identified. There was of congruence and coordination. Findings of the study agreed with Elwak (2013) who argued that the industry forces especially

competition, changes in economic conditions greatly influence strategy implementation in Kenya.

Findings of the study agreed with Nyongesa (2013) who argued that political interference, evolution of international terrorism; inadequate human resources, inadequate modern security equipment, insufficient funds and change of Government rules and regulations were cited as some of the other factors affecting implementation of the strategies. Some of the measures suggested included the need to align the organization culture to its strategy, motivation of staff to enhance performance, accountability of the leaders, fast communication of the strategy and teamwork. Strategy formulation process in the organization projects follows a top-down approach while implementation process adopts a bottom up approach.

Findings of the study agreed with Keter (2015) who argued that that implementation of strategy was affected by the organization structure, administrative systems as well as the organization leadership. This is an indication that indeed all the organization factors affected the strategy implementation process. It was also concluded that government licensing, strategic alliances as well as regulations on pricing are the government factors affected the strategy, implementation process of the telecommunication industry in Kenya.

The study findings that the organizational culture was conducive for the business as it was moving towards a better performance are in agreement with Aosa (1992) and Kamaku (2010) where he noted the importance of matching organizational culture with

strategy. The findings of Amakoye (2010) indicate high staff turnover implying lack of attachment to the organization which is an impediment to strategy implementation and portraying a poor public image of the organization.



## **CHAPTER FIVE**

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

#### **5.1 Introduction**

This chapter finalizes the study on the challenges of strategy implementation among the cargo companies operating at JKIA in Nairobi, Kenya. The study was carried out using cross sectional survey of the cargo companies operating at JKIA. The target population was 40 organizations where one strategic manager was sampled from each of the organization to participate in the study giving a sample size of 40 respondents and all of them took part in the study. The findings were presented in the following order.

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

The study established that most of the respondents have acquired their first degrees in various fields such as engineering design, sociology, business economics, purchasing and supplies, project management, international studies, gender and development studies while a substantial number have post graduate qualifications such as master's and PhDs in various fields. It also came out that most of the respondents had worked with their organizations for over 10 years. It was further observed that majority of the respondents were women. Which means that the cargo companies have tended to employ more women in their industry which is a good way of promoting gender empowerment for the women in Kenya.

The study established that most of the respondents strongly felt that there was lack of proper planning among the stakeholders, there was lack of motivation resulting from most organizations not being provided by adequate support. The respondents agreed that the following factors presented a challenge to strategy implementation: Lack of proper information, lack of good will from stakeholders, lack of financial resources, lack of proper involvement of stakeholders, inadequate resources, and lack of communication. However, the respondents neither disagreed nor agreed of the following factors to present a challenge to strategy implementation. Lack of organizational support, unclear strategic plan, poor management of resources, lack of planning, lack of motivation/enthusiasm from the staff charged with process of implementation and poor organizational structure.

### **5.3 Conclusion**

The study concluded that the challenges facing implementation of strategies among the cargo companies operating at JKIA are lack of proper planning, lack of organizational support, lack of motivation/enthusiasm from the staff charged with the process of implementation, lack of proper information, lack of proper involvement of the stakeholders, lack of good will from the stakeholders, inadequate resources, unclear strategic plan, poor management of resources, lack of financial resources, poor or lack of communication, poor organizational structure, lack of coordination/team work within departments, poor organizational culture, limited staff capacity, poor or lack of IT infrastructure, political interference in the organizational management, lack of expertise or special skills, poor leadership and the Government regulations/policies.

The research found out that insufficient authorization of the employees by the management during implementation of strategy process was impeding efforts of achieving the organizations strategy. As the organizations focuses on implementation of their strategies there is need for the management to fully guide its employees on the importance of this plan so as to appreciate its full achievement.

#### **5.4 Recommendations**

As per the findings the study recommends for management to have a strategic master plan from which projects are phased in line with the organizational financial ability and implemented in line with the strategic plan. Further the management to increase more staff to bridge the deficiency of the strategy implementation staff. The companies should establish amicable ways to control political interference and put in more permanent governance structures to be sought with clear roles and authority among the management of the organization.

Due to the fact that there are challenges are not limited to JKIA cargo companies alone, the study recommends that the management of other public and private or global organizations can adopt the findings of the study and bench mark their strategies with those of JKIA cargo companies. The study recommends that all the cargo companies should develop and implement their strategic plans in line with the organizations strategic plan which will enhance the achievement of the organizations goals. The study recommends that cargo companies should purposely review the strategic plans at the organizational level and at the departments to ensure the success of the implementation.

The researcher recommends cargo companies management operating at JKIA to fully guide its employees on organizations strategic plan importance. Through this, there will be successful realization of the objectives detailed in the organizational strategic plan. JKIA cargo companies' management should also accord equal priorities to both strategy formulation and strategy implementation. This is important because poor implementation has been blamed on a number of strategic failures.

The study established that the planning of implementation process existed in the organization. However, this process was mainly done by the senior management and consultants with consultation of some senior staff which left out other staff and stakeholders. The study recommends that the management of the cargo companies operating at JKIA make this process inclusive by wide sampling both vertical and horizontal of their staff and all key stakeholders. The research stressed that, on a regular basis, monitoring and evaluation of strategic plans need to be carried out on regular basis. This will facilitate measurement of performance of various strategic plans and ensure organizational objectives are achieved.

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

The greatest limitation of this study was the inability to secure enough time to conduct the interview and hence not enough time was spent on the respondents because of their busy schedules. This also limited the depth of engagement with the interviewee. Also, it was not possible for the researcher to obtain feedback from the organizations CEOs who are the focal point of strategy implementation process.

Hence a number of those managers interested expressed concern over the high turnover of those mandated with the implementation process hence some interviewees had limited exposure to the entire process and therefore could only report about the challenges experienced during their tenure in office.

Further the study was thought to be sensitive by the respondents and some were not ready to give information. However, after follow ups and reassurance by the researcher to the respondents were willing to provide the information. Further challenge was encountered with the lack of some of the respondents to adhere to the limited time set for data collection period hence this led to some delay in the process of data collection.

### **5.6 Suggestion for Further Research**

The researcher observes that there were useful insights from this study but there is need for more study in various contexts as the following suggestions offer; there is need for studies to be conducted but to involve more staff from lower levels to get their views towards strategic planning & implementation process for cargo companies operating at JKIA.

This was the first strategic plan being implemented and therefore after the next phase, a replication of this study needs to be done to find out whether the same challenges would still prevail. Further research could be done specific to cargo operations at different airports namely Wilson and Eldoret which are also significant contributors to cargo operations in Kenya.

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## APPENDICES

### APPENDIX I: LIST OF CARGO COMPANIES AT JKIA

1. Aero Car & Truck Cargo Ltd
2. African Cargo Ltd
3. Air France Cargo
4. Aircare Charterers Ltd
5. Aircargo - Kenya
6. Andy Forwarders
7. Astral Aviation Ltd
8. Cargo Lux Company
9. DHL Express
10. Emirates Sky Cargo
11. Ethiopian Airlines
12. Eurocraft Cargo Ltd
13. FedEx Cargo Ltd
14. Flex Air Cargo Ltd
15. Freight In Time Cargo Ltd
16. Global Freight Logistics Ltd
17. Joshan Air Cargo
18. Kenya Aerotech
19. Kenya Airfreight Handling Limited
20. Kenya Airways cargo Centre
21. Kuehne and Nagel
22. Lufthansa Cargo
23. Martinair Cargo Ltd
24. Maya Fright Cargo Ltd
25. Aela Cargo Company Ltd
26. Mtchell Cotts
27. Pivot Cargo Services Ltd
28. Postal Corporation
29. Schenker International
30. SDV Transami
31. Siginon freight
32. Sky Express (SkyNet Worldwide)
33. Sky Train Cargo Ltd
34. Skylink Air Services
35. Swissport Cargo Services
36. TNT Ltd
37. Total Touch
38. Trade winds Ltd
39. Trans Global Cargo Centre
40. UPS

## APPENDIX II: LETTER OF INTRODUCTION



### UNIVERSITY OF NAIROBI SCHOOL OF BUSINESS

Telephone: 020-2059162  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P.O. Box 30197  
Nairobi, Kenya

DATE.....

#### TO WHOM IT MAY CONCERN

The bearer of this letter ..... MOHAMMAD ISMAIL MOHAMMAD .....

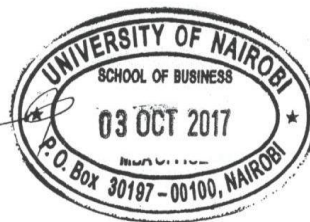
Registration No. .... D61/85308/2016 .....

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

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

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

Thank you.



**PATRICK NYABUTO**  
SENIOR ADMINISTRATIVE ASSISTANT  
SCHOOL OF BUSINESS



## **APPENDIX III: RESEARCH QUESTIONNAIRE**

Dear respondents, my name is Mohammad Ismail Mohamad, reg. no: D61/85308/2016. You have been selected to provide information on the challenges facing your organization during strategy implementation. The purpose of the data collection is to full fill the requirements for the award of master’s degree in business administration of the University of Nairobi.

Your acceptance to participate and responses will be highly appreciated

### **Instructions**

Kindly tick / write according to your assessment of the question and your appropriate response.

### **Section A: Demographic Information**

1. Name of the Company? .....
2. Age of the respondents? 18-25 years ( ), 26 – 35 years ( ), 36 – 45 years ( ), 46 – 55 years ( ), Over 55 years
3. Level of education? Primary ( ), Secondary ( ), Tertiary/ Diploma ( ), First Degree ( ), Post Graduate ( )
4. Number of years you have worked with the company?
5. Professional Qualifications? .....
6. Sex? Male ( ), Female ( )
7. Marital Status? Married ( ), Widowed/widower ( ), Divorced / Separated ( ), Single ( )

**Section B: Challenges Facing Strategy Implementation in the organization**

In this section, the researcher has identified a number of challenges that face organization during strategy implementation. You are required to show your level of agreement with the challenges as experienced in your organization. The responses have been presented using a likert scale of 1-5 demonstrating *1 – strongly disagree, 2 – disagree, 3 – not sure, 4 – agree and 5 – strongly agree.*

<b>Challenges of strategy implementation</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. Lack of proper planning					
2. Lack of organizational support					
3. Lack of motivation/enthusiasm from the staff charged with the process of implementation					
4. Lack of proper information					
5. Lack of proper involvement of the stakeholders					
6. Lack of good will from the stakeholders					
7. Inadequate resources					
8. Unclear strategic plan					
9. Poor management of resources					
10. Lack of financial resources					
11. Poor or lack of communication					
12. Poor organizational structure					
13. Lack of coordination/ team work within departments					
14. Poor organizational culture					
15. Limited staff capacity					
16. Poor or lack of IT infrastructure					
17. Political interference in the organizational management					
18. Lack of expertise or special skills					
19. Poor leadership					
20. Government regulations/policies					

**Thanks in Advance for Your Cooperation.**

## APPENDIX IV: ACCEPTANCE LETTER FROM JKIA



**Kenya Airports Authority**

Head Office, Airport North Road  
P.O. Box 19001 - 00501 Nairobi, Kenya  
Tel: +254 - 020 - 822111 / 6611000 / 6612000  
Fax: +254 - 020 - 822078, 827304  
Email: [info@kaa.go.ke](mailto:info@kaa.go.ke)  
[www.kenyaairports.go.ke](http://www.kenyaairports.go.ke)

KAA/10/16/02 VOL. 4 (36)

16<sup>th</sup> October, 2017

**Mohammad Ismail**  
MBA Student University of Nairobi  
P.O Box 30197-00100  
**NAIROBI**

Dear Mohammad,

**RE: REQUEST TO CONDUCT RESEARCH AT JKIA**

We are pleased to inform you that your request to carry out a research at JKIA has been granted from 23<sup>rd</sup> November 2017.

You are therefore requested to report to General Manager marketing and Development at KAA-HQ for facilitation purposes.

You will be expected to abide by all rules and regulations governing the organization during your research period in order to ensure normal operations are maintained without inconveniencing the passengers.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Risper Omondi', is written over a circular stamp.

**RISPER OMONDI (Mrs)**  
**MANAGER LEARNING AND DEVELOPMENT**