

**CHALLENGES OF STRATEGY IMPLEMENTATION
AT KENYATTA NATIONAL HOSPITAL**

BY

LUCY W. MUTUGI

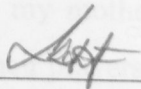
**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN
PARTIAL FULFILLMENT OF THE REQUIREMENT OF THE
AWARD OF MASTERS OF BUSINESS ADMINISTRATION (MBA)
DEGREE, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

November 2008

DECLARATION

This management research project is my original work and has not been presented for a degree in any other university.

Signed: _____



Lucy W. Mutugi

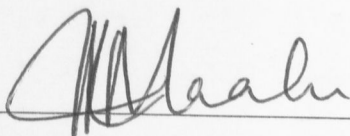
REG: D61/P/7826/05

Date: _____

20/11/08

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

Signed: _____



Mr. Jackson Maalu

Lecturer

Department of Business Administration

University of Nairobi.

Date: _____

20/11/08

DEDICATION

This project is dedicated to my husband Dr. Robert Mutugi Chira and my children Ian Chira and Victor Nderitu for their prayers, encouragement, patience, understanding and support. To my mother Grace Thande, and my parents in-love David Chira and Leah Chira for their prayers and encouragement.

My first special thanks go to my supervisor Mr. Jackson Mwangi for not only providing guidance through out the study and dedicating his time through our late office hours. His knowledge of the subject matter enabled me to shape the project as what it is now.

My sincere gratitude goes to KNH Senior Management both in administrative and Clinical areas who provided information through interviews used in this project. My thanks to Kenyatta National Hospital Management for sponsoring my MBA studies.

My other gratitude goes to MBA lecturers who offered helpful input. I am indebted to Nancy Gathungu, Joyce Githyjo, Jane Wanjau and Francis Ndiritu for their ideas, company, unlimited contribution and sharing their own experiences. Their support, ideas and proof of this research throughout my time.

Last but not least I thank my husband, children and parents for their love, support and encouragement. They missed my company while I was engaged in the study.

ACKNOWLEDGEMENT

I acknowledge the contribution from all quarters towards the accomplishment of this research project and deeply indebted to all those who in their own individual ways contributed either directly or indirectly towards making the project a success.

My first special thanks go to my supervisor Mr. Jackson Maalu for not only providing guidance through out the study and dedicating his time through out the entire process. His knowledge of the subject matter enabled me to shape this project to what it is now.

My sincere gratitude goes to KNH Senior Managers both in administrative and Clinical areas who provided information through interviews, used in this project. My thanks to Kenyatta National Hospital Management for sponsoring my MBA studies.

My other gratitude goes to MBA lecturers who offered their useful input. I am indebted to Nancy Gathungu, Joyce Onga'yo, Jane Wairua and Winnie Ngotha for their close company, unlimited contribution and sharing that enabled me to successfully collate the ideas and produce this research document on time.

Last but not least, I thank my husband, children and parents for their moral support and encouragement. They missed my company while I concentrated on the studies.

ABBREVIATIONS

WHO	World Health Organization
KNH	Kenyatta National Hospital
ICDC	Industrial and Commercial Development Corporation
A&E	Accident & Emergency
CCU	Critical Care Unit
FINAD	Finance and Administration
ICT	Information and Communication Technology
CSF	Cost Sharing Funds
HOD	Head of Department

ABSTRACT

Effective strategy implementation is crucial to the success of any organization based on the premise that strategy implementation is the link between the formulation of strategy and the achievement of superior performance. However, well formulated strategies fail at the level of implementation.

Kenyatta National Hospital launched its current corporate strategic plan in 2005. The target was to complete implementation by the year 2010. The Hospital is currently at the stage of implementing the strategic plan.

This study sought to determine the challenges of strategy implementation and how to deal with such challenges, by examining the corporate strategic plan of KNH. To achieve the stated objectives a case study research method was used where primary data was collected. Interview guide was administered to eleven departmental heads out of fourteen proposed respondents representing 78.5% response rate.

An organization that undergoes the process of implementing a strategy faces challenges both from within and outside. The hospital is not an exception and that is why the study was undertaken to find out the challenges of strategy implementation. The respondents were selected from the Senior Management team, the Chief Executive, the Deputy Director and the Managers heading critical departments. This is because that is the level that strategic planning is embedded first before cascading to the entire organization.

Most of the responses revealed that resource constraint in form of finance, human resources and physical facilities as the most challenging factor to strategy formulation. Government control and social economic factors were also found to be major challenges.

The study established that top management at KNH were involved in the strategy formulation process but their powers are limited in making strategic decisions.

The study also sought to establish the measures taken to cope with the challenges.

Finally the research study recommended further study in other areas of strategic management process.

TABLE OF CONTENTS

DECLARATION	i
DEDICATION	ii
ACKNOWLEDGEMENT	iii
ABBREVIATIONS	iv
ABSTRACT	v
CHAPTER ONE: INTRODUCTION	1
1.1 Background	1
1.1.1 Strategy Implementation	2
1.1.2 Overview of Kenyatta National Hospital (KNH)	3
1.2 Statement of Research Problem	5
1.3 Research Objective.	6
1.4 Significance of the Study	6
CHAPTER TWO: LITERATURE REVIEW	8
2.1 Concept of Strategy	8
2.2 Strategic Management Process	9
2.3 Concept of Strategy Implementation	11
2.4 Factors that Influence Strategy Implementation	13
2.5 Tools for Successful Strategy Implementation	19
2.6 Challenges to Strategy Implementation	21
2.7 Summary	23
CHAPTER THREE: RESEARCH METHODOLOGY.	24
3.1 Research Design	24
3.2 Data Collection	24
3.3 Data Analysis	25
CHAPTER FOUR: FINDINGS AND DISCUSSIONS	26
4.1 Introduction	26
4.2 Strategy Formulation at Kenyatta National Hospital	26

4.3 Strategic Management Practice.....	27
4.4 Personnel Competencies and Availability	28
4.5 Reward Systems.....	29
4.6 Monitoring and Evaluation	29
4.7 Challenges of Strategy Implementation at KNH	30
4.8 Coping with Challenges of Strategy Implementation.....	37

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS40

5.1 Introduction.....	40
5.2 Summary	40
5.3 Limitations of the Study.....	41
5.4 Recommendations for Further Research.....	42

REFERENCES 43

APPENDIX 1: Interview Guide..... 48

APPENDIX 2: Interview Guide..... 50

Appendix 3: Letter of Introduction..... 52

Appendix 4 : Old KNH Organization structure 53

Appendix 5: Proposed KNH Structure 54

CHAPTER ONE

INTRODUCTION

1.1 Background

Organizations operate and exist within a dynamic environment where changes such as technological innovation, competition, globalization, regulation and de-regulation take place (Olali, 2006). Survival of the organizations in such an environment sorely depends on strategy or strategies adopted. Johnson and Scholes (2005), defines strategy as the direction and scope of an organization over the long term, which achieves advantages for the organization through the configuration of resources within a changing environment and to fulfill stakeholders expectations. Strategy is also defined as large scale future plan for interacting with the competitive environment to achieve company's objectives (Pearce and Robison, 2007). For an organization to cope with the external and internal pressures from the environment, it is required to set up goals and objectives to be achieved. The goals and objectives are set up through planning process. This is a conscious systematic process during which decisions are made about the goals and activities that an organization pursues in future (Bateman and Zeithaml, 1993)

Bateman and Zeithaml (1993) contend that during the first half of the 20th Century, most planning was unstructured and fragmented and that formal planning was restricted to a few large corporations. It was only in the last thirty years of the 20th Century that planning became a widespread management function. Today most organizations have adopted the approach of strategic management. Pearce and Robison (2007) defined strategic management as a set of decisions and actions that result in formulation and implementation of plans designed to achieve company's objectives. Strategic management is further defined as a stream of decisions and actions that leads to the development of an effective strategy or strategies to help achieve corporate objectives (Juach and Gluek, 1988).

Different organizations develop different strategies that aim at providing superior performance. This shows that the road to success is not the same to all firms (Walker, 2004). A well formulated strategy helps to marshal and allocate the resources of an organization into a unique and viable posture based on its relative internal competencies and short comings, anticipated changes in the environment and contingent moves by intelligent opponents (Quinn, 1980). A strategy matches market position of the organization to its resources and capabilities. It also guides decision making of the management and the organization as whole if it is understood at all levels. Kaplan *et al* (2004) states that many leading strategist, such as Michael Porter, argues that developing, strategy based on “unique positioning” with the external environment is critical to the success of an organization in a competitive environment.

The main challenge to an organization is to have the strategy or strategies succeed. This is because an organization can formulate good strategies but for them to be successful depends on how they are implemented. Grant (1998) implies that without effective implementation, the best strategies are of little use. Woolridge and Floyd (1990) notes; ‘It can be much easier to think of a good strategy than it is to implement it.’ Much of the shortcomings in the strategy area are attributed to failure in the implementation process rather than in the formulation of strategy itself.

1.1.1 Strategy Implementation

Strategy implementation is defined as the way the organization creates the organizational arrangement that allows it to pursue its strategy effectively (Hill and Jones, 1999). Whereas crafting a strategy is largely a market driven activity, implementing and executing strategy is primarily an operations driven activity revolving around the management of people and business processes (Thompson, Strickland and Gamble, 2007). For a strategy to be successful it must be translated into carefully implemented actions (Pearce and Robison 2007). Implementation ensures that strategies are converted into actions and are working in practice. This takes place in terms of restructuring the organization to support successful performance, enabling success by providing resources in form of people, information, money and technology. An organization sets shorter

objectives which are measurable outcomes or intended to be achieved within one year. The shorter objectives help in the implementation of strategy by operationalization of long-term objectives.

(Olali, 2006) states that a well formulated and implemented strategy offers benefit to an organization. It helps an organization to marshal and allocate resources. Strategy implementation addresses the issue of how to put a formulated strategy in effect within the constraints of time, organizational financial and human resources, and its capabilities (Ngumo, 2006). Implementation translates plans into actions. Therefore, it's true to say that without implementation, strategies that have been formulated are dead and are a waste of expensive managerial time (Ngumo, 2006). A strategy is implemented through organizational design. This means selecting the combination of organizational structure and control system that allows the company pursue strategy effectively, and create and sustain a competitive advantage. It also includes coordinating the activities to enable them work together most effectively, motivate and provide incentives that results to superior efficiency, provide innovation and customer responsiveness.

The stage of strategy implementation is difficult as managers are faced with challenges which include changing the culture, aligning the structure, availing resources among other things. A well developed strategy has to be executed if an organization expects to attain success in its operations. It's important to note that good strategies can fail at the stage of implementation. Therefore daily activities of an organization should be geared towards accomplishing the strategic plan (Olali, 2006).

1.1.2 Overview of Kenyatta National Hospital (KNH)

Kenyatta National Hospital, formally King George, was established in 1901 as a native civil hospital with a two ward bed facility. It offered in-patient services only and had a bed capacity of 423 for Africans and 41 beds for Asians.

Following the attainment of independence in 1963, the hospital was renamed Kenyatta National Hospital in honour of the First President of the Republic of Kenya, the late Mzee Jomo Kenyatta.

In 1987, the Hospital changed its status into a state corporation through Legal Notice No. 109. As a parastatal the hospital management and organization structure was aligned to its specific mandate. These structures are similar to those of large private sector organization with a Board to which the management reports to and senior management positions responsible for the main functional areas of Hospital services and administration (Ongaro, 2004)

From the late 1980's Kenyatta National Hospital has been experiencing several challenges including major resource constraints while the demand for services have been increasing. This is due to reduction in funding for operations by the Government and the economic situation prevailing in the country. As a result the Hospital adopted strategic change in order to survive, which included management by a British expatriate Mr. Bob Wilcox as the Chief Executive between 1991 and 1993 while also opening a fully fledged Private wing (Ongaro 2004). However, these changes were not contained in a formal strategic plan.

The hospital's mandate is to receive patients on referral from other hospitals, to provide specialized health care, provide facilities for training of Health professionals, research and participate in National Health Planning and Policy (KNH Strategic Plan 2005).

Due to the Government policies on funding human service organizations, the Hospital developed its first formal five year corporate strategic plan (2005-2010), in response to health needs in Kenya and the East African region. The aim of the strategic plan is to enable the hospital grow and develop into an institution of excellence in provision of quality specialized health care, training and research outreach that falls within its mandate.

The paramount expectation when the Hospital was made into a parastatal was to increase revenue collection and hence sustainability of its services. However, this was hampered by the fact that some services that the hospital provides are subsidized to a tune of 80% of actual cost (KNH strategic plan 2005) and the Government has not made any provision for this subsidy. This problem is compounded by the fact that majority of the patients are poor and not able to pay for the services rendered. KNH is at the apex of hospital referral

system in Kenya and has always been guided in its planning, development and provision of health care service by the Government policies on health. Prevailing social and economic conditions in Kenya have adversely impacted upon delivery of services in the hospital. Scarcity of financial resources has resulted in the Government cutting down on funding to the health sector, thus affecting the various services offered in the Hospital.

1.2 Statement of Research Problem

Organizations operate in a competitive and turbulent environment. In order to be able to survive within their environment and deliver goods and services effectively, they require to engage in effective management process (Machuki, 2005). Effective implementation of strategy is crucial to the performance of the organization because implementation is the link between strategy formulation and superior performance. According to Mintzberg and Quinn (1991), 90% of the well formulated strategies end up failing at the implementation stage. The reasons that have been advanced for success or failure of strategies revolve around the fit between structure and strategy, resource allocation, organizational culture, leadership, rewards and the nature of strategy (Koskei, 2003). Campbell (2002) states that many strategies fail due to the failure to take into account internal issues such as information systems, organization culture including the company's culture to adopt

Kenyatta National Hospital is one of the largest referral hospitals in the East African region and its vision is to be a centre of excellence in provision of innovative and specialized health care. Due to the failure by the government to sustain the district and provincial hospitals, and the reduction in funding, the hospital has been constrained in the provision of quality health care. The complexity in terms of services offered and the number of patients at the hospital has also affected its smooth operations. In addition the hospital operates in an increasingly liberalized political and social economic environment and also has to contend with the Government control mechanisms. In addressing these challenges, KNH developed a strategic plan 2005 -2010 aimed at raising it to greater heights in service delivery.

Studies on strategy implementation and its challenges have been undertaken by several researchers including Aosa (1992), Awino (2001), Koskei (2003), Machuki (2005), Olali (2006), Ngumo (2006), Karuri (2006) and Manyarkiy (2006). However existing strategy implementation studies in public Health Institutions are scanty, especially in Kenya. There exists knowledge gaps in this area which this study seeks to address. One research study done on KNH by Ongaro (2004), focused on the strategic change management in KNH but did not give a lot of attention on challenges faced in strategy implementation. The aim of this study is to focus on challenges faced in the implementation of the strategic plan (2005-2010) at Kenyatta National Hospital. Due to the contextual, sectoral and managerial differences among organizations, the challenges in strategy implementation can not be uniform and, therefore, may not be assumed to be similar to those faced by KNH. This study therefore aims at identifying challenges of strategy implementation at KNH. The study seeks to answer the following question; What are the challenges, faced at KNH in strategy implementation? What measures are taken to cope with the challenges?

1.3 Research Objective.

The following are the objectives of this study -

- (i) To determine the challenges of strategy implementation at Kenyatta National Hospital.
- (ii) To establish measures taken by KNH to cope with challenges of strategy implementation.

1.4 Significance of the Study

The study will be important in the following:

- (i) Enlightening the management of KNH in knowing whether implementation of the strategic plan is successful. This may serve as a source of reference for future strategies being formulated
- (ii) The results may enable KNH to re-examine its strategy implementation style and take corrective measures.

(iii) To academia and other researchers the findings will serve as a data bank. The findings may be used for further research in the area of strategy implementation and its challenges.

(iv) Contributing to the existing body of knowledge on strategy. The results may provide insight to understand how organizations should prepare themselves to successfully implement strategic plan in order to achieve their objectives.

CHAPTER TWO

LITERATURE REVIEW

2.1 Concept of Strategy

The turbulence of the environment in which organizations operate has forced many of them to come up with strategies that will ensure survival. Ansoff (1990) indicates that in the 1950's when the response to environmental discontinuities became important, concept of strategy entered business vocabulary. An organization's strategy consists of moves and approaches devised by management to produce a successful organizational performance. Strategy gives an organization a course of direction to follow.(Strickland, 1993)

Brown (1998) views strategy as a system of management. He further says that an alternative view of strategy suggests that it can be less structured and more informal and implicit in its formulation. This view shows that strategy can either be formal or informal. According to Johnson and Scholes (2005) strategy development can be seen in three lenses, i.e. design, experience and idea. Design lense is the idea that strategy is formulated by top management through careful analysis and planning and implemented down through the organization. According to experience lense, strategies are made and developed as outcome and unusual process in and around the organization. As for the idea lense, some organizations are more innovative than others and that is why some of them seem to cope with a fast changing environment better than others.

According to Ansoff (1992), major task of managers is to ensure continuous existence of Mintzberg (2003) observes that the word strategy has been used implicitly in different ways. He provides five different definition of strategy i.e as plan, ploy, pattern, position and as a perspective. As plan, strategy is defined as some sort a consciously intended course of action, a guideline or set of guidelines to deal with a situation. As a ploy, he sees strategy a specific maneuver intended to outwit an opponent or competitor. Strategy as a pattern is a stream of action demonstrating consistency in behaviour which is intended, or not intended. As position, strategy is a means of locating an organization in

an environment and finally as a perspective, strategy is a concept in ingrained way of perceiving the world

Strategies are patterns of decisions, events and activities that need not be consistently pursued they may just emerge and in some instances may never be identified by those who put them into practice. Strategy is the pattern of organizational moves and managerial approaches to achieve organizational objectives and to pursue the organizational mission. (Brown ,1998)

Juach and Gluech (1998), defines strategy as a unified, comprehensive and integrated plan that relates the strategic advantage of the firm to the challenges of the environment. Strategy is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization. Strategy is a means to an end and it describes the organizational methods for achieving its stated objectives (Boseman and Phatak, 1989). This strategy must be converted into concrete actions and results, otherwise all tasks and activities constituting the strategic management process will end up being a waste of management time and effort.

The concept of strategy is important to all organizations. As the one of oldest and classic concept, strategy is a way an organization explicitly shapes its long term goal and objectives, and also defines the major action programmes needed to achieve the objectives and deploy the necessary resources (Hax and Majluf, 1996).

According to Aosa (1992), major task of managers is to ensure continuous existence of the company. He further states that strategy is one of the concept developed and that which has been useful to management and that a strategy is meant to provide guidance and direction for the activities of the organization.

2.2 Strategic Management Process

Strategy development is often equated with strategic planning systems (Johnson and Scholes , 2007). Strategic management involves managers from all parts of organization in the formulation and implementation of strategic goals and strategies. The process

integrates strategic planning and management into a single process, also provide an organization with the means of analyzing and thinking about company strategic problems (Bateman and Zeithaml 1993). David (1997) defines strategic management as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives.

Strategic management provides guidance direction and boundaries for operational management. Since it involves planning, it must be designed to fit the unique characteristic of each organization because, each organization differ in some respect from all other organizations (Steiner, 1979). Ansoff (1990) states that the strategic management activity is concerned with establishing objectives and goal of the organization, and with maintaining a set of relationship, between the organization and the environment which enables it to pursue its objectives which are consistent with the organizational capabilities and continue to be responsive to organizational demands.

Strategic management process consists of different phases which are sequential in nature. The strategic plan devised by the organization proposes the manner in which the strategies could be put into action. Strategies by themselves do not lead to actions, they are statement of intents, implementation task are meant to realize the intents (Koskei, 2003). Steiner (1979), states that, strategic management provides guidance, direction, and boundary for operational management. The process must be designed to fit unique characteristic of each organization since no organization is the same with another one.

Campbell (2000) states that strategic management can be viewed as a set of theories, frameworks, tools and techniques designed to explain the factors underlying the performance of organizations and to assist managers in thinking, planning and acting strategically. He further states that strategic management is a vehicle through which an organization can review past performance and more importantly, determine future action geared towards achieving and sustaining superior performance.

According to Ansoff (1990) strategic manager's activity is concerned with establishing objectives and goals for the organization and with maintaining a set of relationship between the organization and the environment. The relationship enables the organization to pursue its objectives, which are consistent with the organizational capabilities and continues to be responsible to organizational demands. For strategic management process to be successful managers from all parts of the organization should be involved in the formulation and implementation of strategic goals.

Ansoff (1990) further states that strategic management is a systematic approach for managing strategic change. The change consists of positioning the firm through strategy and capability planning, real time strategic response through issue management and systematic management of resistance during strategic implementation. Strategic management enables organizations to survive and thrive in an increasing dynamic environment, which is filled with ambiguities and uncertainties (Ongaro, 2004). For an organization to be able to interact with its external environment, it must have a strategy or strategies, and be able to manage them.

The steps involved in the strategic management process include identification of the strategic activities to achieve organization's objectives, the evaluation of strategic activities using certain criteria and the selection of the alternative group of activities that might become the strategy or strategies of the organization (Boseman and Phatak, 1989).

2.3 Concept of Strategy Implementation

Once an organization has selected the goals and plans, the plans must be implemented to achieve the goals. The best plans are useless unless they are properly implemented (Bateman and Zelthaml, 1983). Successful strategy implementation involves empowering others to act on doing things required to put strategy into practice and execute it proficiently (Machuki, 2005). David (1997), stated that out of all the formulated strategies 10% are successfully implemented while 90% of the well formulated strategies fail at the implementation stage.

Strategy implementation is concerned with translation of strategy into activities and then into results (Johnson and Scholes, 1997; Thompson and Strickland, 1993).

The way implementation is done can be thought of as the strategic architecture of the organization and successful implementation of strategy is likely to depend on the extent to which various components work together to provide in themselves a competence which other organizations find difficult to match (Johnson and Scholes, 1997). Implementation is successful if the company achieves its strategic objectives and target level of financial performance (Thompson and Strickland, 1993).

Strategy implementation is viewed by Strickland *et al.*, (2007) as an action oriented, make-things-happen task that tests the management ability to direct organizational change, achieve continuous improvement in operations and business practice, create and nurture a strategy supportive culture and consistently measure back, performance targets. Hills and Jones (1999) adds that strategy implementation refers to how a company should create, use and combine organizational strategies that lead to a competitive and superior performance.

Crafting a strategy is largely an entrepreneurial activity while implementing is largely an administrative activity (Thompson and Strickland, 1993). According to Campbell (2002) strategy implementation is a job for the whole management, which involves every organization unit, from head office down to each operating department. The strategic plan derived by an organization proposes the manner in which strategies could be put into actions.

According to Pearce and Robinson (2007) strategy implementation involves identification of action plans and short term objectives, functional tactics and empowering operating personnel. Actions and short term objectives translates long range aspirations into one year actions and if well developed, provide clarity, a powerful motivator and facilitator of effective strategy implementation. Functional tactics implements business strategies and are key routine activities that must be undertaken in each functional area.

For strategy implementation to be successful, an organization is required to understand the impact of strategy on the external environment, internal resources and competencies, and the expectations and influence of stakeholders (Johnson and Scholes, 2005; Pearce Robinson, 2007). The resources and competencies of the organization make up the strategic capabilities which enable success in the implementation of strategies chosen by the organization. According to Boseman and Phatak (1989), organization's strategy must be converted into concrete actions and results. Failure to do so, means that all tasks and activities constituting strategic management process will end up a waste of management time and effort. The writer further states that implementing organizational strategy is critical to the future success of an organization and may be the key to the survival.

2.4 Factors that Influence Strategy Implementation

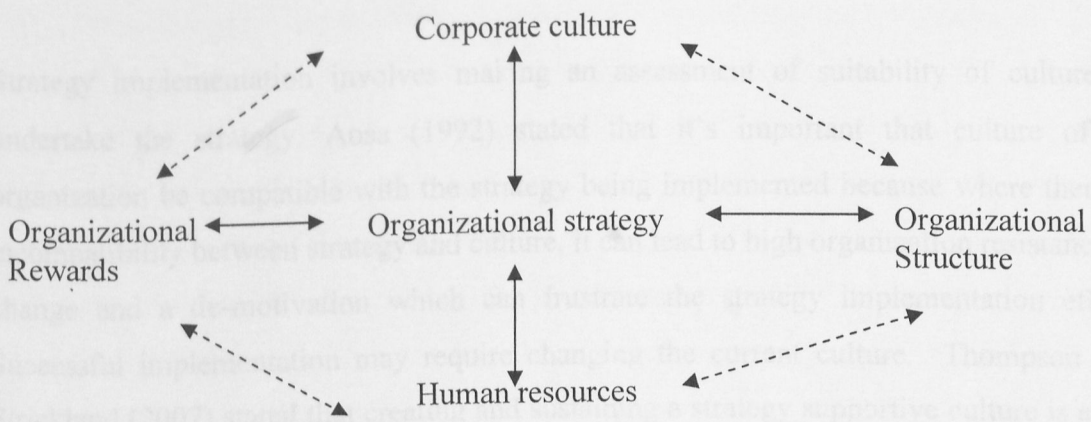
Aosa (1992) observed that strategy implementation is likely to be successful when congruence is achieved between several elements crucial to the process. The elements are categorized into structure and process elements. Structure defines the configuration of the company showing the relationships that exist between the various parts of the company and the process elements include leadership, culture, resources and other administrative process (Learned *et al.*, 1969). Many strategies have failed due to the failure of the organizational structure and ability of the company's culture to adopt (Campbell *et al*, 2002). Thomson and Strickland (1993) states that there must be fit between structure, systems, staff, skills, shared values and style for strategy implementation to be successful.

The organization operates is important. If the organizational structure is suited to current strategy, it makes the task of strategy implementation easy (Boseman and Phatak, 1989).

Organizational culture refers to the set of assumptions that members of an organization share in common (Pearce and Robinson, 2002). An organization culture provides the

Key factors in successful strategy implementation are illustrated by Boseman and Phatak (1989) as shown in figure 1

Figure 1: Key factors in successful implementation



Source: Boseman and Phatak (1989)-pp 112 figure 5-2

Organizational structure refers to the shape of the business (Campbell *et al.*, 2002). Hills and Jones (1999) states that strategy implementation requires selecting the right combination of structure and control for achieving a company's strategy. Pearce and Robinson (1997) states that strategy implementation depends in large part of the firms primary functional structure. Structure helps the organization identify key activities and the manner in which they will be conducted to achieve strategic purpose. According to Johnson and Scholes (2005), organization performance is influenced by how it is structured. Successful implementation of the strategies will be strongly influenced by how the 'fresh' is hung in the structure (Johnson and Scholes, 1997). This shows that organizational configuration showing how the structure matches the context within which

the organization operates is important. If the organizational structure is suited to current strategy, it makes the task of strategy implementation easy (Boseman and Phatak, 1989).

Organizational culture refers to the set of assumptions that members of an organization share in common (Pearce and Robinson, 2002). An organization culture provides the social context to which an organization performs its work (Machuki, 2005). According to Boseman and Phatak (1989) culture denotes the distinctive way of life of a group of people and their complete design for living. He defines corporate culture as a system of norms, attitudes, values, beliefs and customs that governs the behavior of people within an organization.

Strategy implementation involves making an assessment of suitability of culture to undertake the strategy. Aosa (1992) stated that it's important that culture of an organization be compatible with the strategy being implemented because where there is incompatibility between strategy and culture, it can lead to high organization resistance to change and a de-motivation which can frustrate the strategy implementation effort. Successful implementation may require changing the current culture. Thompson and Strickland (2007) stated that creating and sustaining a strategy supportive culture is a job of the whole management team of the organization. A strong culture is a powerful lever for changing behaviour and helps employees to do their job in a more strategy supportive manner.

Brown (1998) argues that there is widely held view that organizational culture is the key to understanding why some firms succeed in their strategies while others fail. From his view it shows that if culture is synchronized and consistent with the favoured strategy the organization is likely to encounter resistance. It's therefore, the task of the strategy implementers to bring corporate culture into alignment with the strategy and to keep it there once the strategy is chosen (Thompson and Strickland, 1989). Corporate culture of a firm can be a major strength if it is consistent with the organizations strategy (Boseman and Phatak, 1989). Therefore culture cannot be ignored because it will have a significant impact on success or failure of the organization strategy.

Configuration of organization resource base is necessary once a strategic option has been selected. Campbell *et al.* (2002) shows that organizations have resources in terms of finance, employees, physical input and intellectual assets. Organizations units require enough resources to carry out their part of strategic plan. How well the implementing units link the resources to the needs of strategy can either promote or impede strategy implementation process (Thompson and Strickland, 2005). Resource allocation is a central management activity that, allow successful strategy execution (David, 1997). Strategy implementation addresses the issue of how to put a formulated strategy into effect within the constraint of the organization finances and human resources (Ngumo, 2006). According to Thompson and Strickland (1998), strategy implementers should be prepared to shift resources from one area to another in support of new strategy initiative, since a change in strategy always requires budget re-allocations. How well a strategy implementer link budget allocation to the needs of strategy can either promote or impede the execution process (Machuki, 2005). According to Aosa (1992) strategy being implemented should be realistic given the resources available in the firm. It is not possible to implement a strategy which imposes resources requirements that cannot be met by the firm. (Kandie, 2001) states that since the resources are scarce managers must decide which alternative strategy the organization will benefit from most.

Strategy implementation involves all units and departments in an organization. These unit and departments are manned by people. Successful strategy implementation depends greatly on the internal organization and competent personnel (Thompson and Strickland, 2005). If an organization shifts to a strategy requiring skills and managerial approaches, employee training and re-training become an important part of strategy implementation process. Successful strategy implementation ensures that training function is adequately funded and effective training programme put in place (Thompson and Strickland, 2005). Manyariki (2006) supports the need for continuous staff development by saying that implementing strategic change requires the confidence, cooperation and competence of organizational technical and management staff. Thompson and Strickland (2003) points out that staffing the organization by putting together strong management team, and

recruiting and re-training employees with needed experience, technical skills and intellectual capital assures successful strategy implementation. According to Boseman and Phatak (1989), there must be a proper fit between the centre of strategy and the individual with the responsibility for its implementation.

Success in strategy implementation depends on whether the organization has designed a reward system that motivates people to do what it takes to make the strategy work. Rewards need to be used creatively and be tightly linked to the factors necessary for good strategy execution (Thompson Strickland, 2007). According to Machuki (2005), the role of reward system is to align the well being of members of an organization in realizing the company's vision, so that the organization members benefit by helping the company execute its strategy competitively and fully satisfy customers. Execution of strategy mainly depends on individual organizational members. Motivating and rewarding good performance by individuals and organizational units are key ingredients in effective strategy implementation (Pearce and Robinson, 1997).

According to Machuki (2005), support systems refer to all products, formal and informal that makes an organization go day by day and year by year. Wisely constituted policies and procedures help enforce strategy implementation by channeling actions, behavior, decisions and practices in the direction that promote strategy execution (Thompson and Strickland, 2007). An organization therefore, has to come up with a system that fits the needs of strategy. Machuki (2005) states that innovative state-of-the art supportive systems can form basis for competitive advantage if they give the organization capabilities that rivals cannot match.

Managers are faced with challenges in the process of implementation, which includes the need to change the culture, align the structure, and avail the resources required (Ngumo, 2006). For a manager to be able to deal with these challenges and succeed in strategy implementation he requires to have strong leadership quality. According to Mintzberg (1985) strong leadership is central to the development and implementation of most strategies. Leadership is the common thread which runs through the entire process of

translating strategy into results and is the key to engaging the hearts and the minds of the people (Chapman 2004). Pearce and Robinson (1991) asserts that leadership is an essential element of effective strategy, implementation. He says that leadership issues that are of fundamental importance are the role of the chief executive officer and the assignment of key managers. The Chief Executive is key catalyst in strategic management. According to Thomson and Strickland (2007) the bigger the strategic change being implemented, the more necessary it is for the Chief Executive to personally lead the effort. Leading the strategy execution process is a top down responsibility aiming at getting the right things done to achieve good results. Strickland (2007) has identified five actions a manager has to perform to succeed as a leader. First staying at the top of what is happening, closely monitoring the progress, ferreting out issues, and learning what obstacles lies on the path of good execution. Such a manager develops a broad network of culture and sources of information, both formal and informal. Secondly, is putting constructive pressures in the organization to achieve the targeted results and operating excellence. The leadership requirement in this case entails nurturing a result oriented work climate, where performance standards are high and spirit of achievement pervasive.

The third action is leading the development of stronger core competences and competitive capabilities. Intervention of top management is required because they are more likely to recognize and appreciate the strategy-executing significance of stronger capabilities and also have to lead the strengthening effort because core competences and competitive capability reside in the combined effort of different work groups, departments and strategic allies. It is only the senior managers who have the organization clout to enforce the necessary network and collaboration.

Fourthly a manager must display ethical integrity and leading social responsibility initiatives. The Chief Executive and the top managers must openly and unswervingly be committed to ethical conducts at socially acceptable business principles and core values to avoid the pitfalls of scandals and disgrace and also consistently display intent to conduct business in a principled manner.

Lastly a manager must lead in the process of making corrective adjustments. The manager as a leader has a challenge of identifying when adjustments are needed and what adjustments to make. These two are normal and necessary part of managing the strategy execution process because there is no scheme for implementing and executing strategy that can foresee all the events and problems that will arise. According to Charan and Colvin (1999) 70% of ten Chief Executives fail to achieve the strategies not because the strategies are bad, but because of bad execution.

2.5 Tools for Successful Strategy Implementation

According to Machuki (2005) strategic management process is not complete even after the grand strategies are determined and long term objectives set. There are tools that are necessary for operationalizing and controlling the strategy signal in the process of translating strategic thoughts into strategic action which includes annual objectives, policies and functional strategies.

Annual objectives are activities that involve all managers in the organization and are essential because they represent basis for resource allocation, are prime mechanisms for evaluating managers, are the major instrument for monitoring progress towards achieving long term objectives and they establish organizational, divisional and departmental priorities (David 1997). According to Machuki (2005) annual objectives serve as guidelines for action, directing and channeling efforts and activities of organizational members. They translate long-range aspirations into this year targets and if well developed, they provide clarity, a powerful motivator and facilitator of effective strategy implementation (Pearce and Robinson, 1987).

Annual objectives should be consistent across hierarchical levels and form a network of supportive actions. They should be, measurable, consistent, reasonable, challenging, clear, communicated throughout the organization, characterized by an appropriate time dimension, and accompanied by commensurate reward and sanctions. (Bonoma, 1984)

Annual objectives should be compatible with employees' and managers' values and should be supported by clearly stated policies (Tregoe and Tobias, 1997)

Mintzberg (1991) defines policies as rules or guidelines that express the limit within which actions should occur. He describes strategic policies as major policies that guide the entity's overall direction and posture or determine its viability. Policies refers to specific guidelines, methods, processes, rules, forms and administrative practices established to support and encourage work towards stated goals (David, 1997). They facilitate solving problems and guide the implementation of strategy. Pearce and Robison (1991) states that policies are broad; precedent decisions that guide or substitute for repetitive management decision making. They guide the thinking, decisions and actions of managers, and their subordinates in implementing the organizations strategy. Well conceived policies and procedures aid strategy execution, and out-of-sync ones are barriers (Thompson and Strickland, 2007). Policies are designed to guide behavior of managers in relation to the pursuit and achievement of strategies and objective. (Thompson, 1997). They can guide either thoughts or action or both by indicating what is expected in certain decisions areas.

Functional strategies are the short term activities each functional area, within the organization must undertake to implement the grand strategy which must be consistent with the long term objectives and grand strategy and help in the implementation by organizing and activating specific units of the organization. (Pearce and Robinson, 1991) According to Hax and Majluf (1996), functional strategies address the issue regarding the coordination and integration of activities with a single function unit. Aosa (1992), states that functional level strategy primarily focuses on achieving maximum use of resources i.e attaining maximum resource productivity. Koskei (2003) sums it up by saying that it's important to have close linkages between business strategy and action of managers.

2.6 Challenges to Strategy Implementation

Implementation of strategy is about all issues that are considered to be necessary for successful execution of strategy. The implementation stage in the process is often seen as a shift in responsibility, from strategic level down to divisional or functional managers. The transfer process often sets a barrier of the desired strategy as the responsibility is shifted from few to many (Campbell, 2002). Strategy implementers often encounter challenges such as in inadequate planning and communication, structure, culture, resource allocation and leadership.

Once a strategic option has been selected, management must evaluate resource implication on the strategy. The extent to which resources are to be adjusted will depend upon the degree of change that the proposed strategy entails (Campbell, *et al*, 2002). Resource planning falls into four categories (Johnson & Schools, 2002), which includes physical resources, human resources financial resources and intellectual capital. David (1997) also categorizes organization resources into financial, physical, human and technological resources. He states that strategic management enables resources to be allocated according to priorities established in the annual objectives. Effective resource allocation can be prohibited by a number of factors, including an over protection of resource, to great an emphasis on short-run financial criteria, organizational politics, vague strategy targets, a reluctance to take risk and lack of sufficient knowledge (David, 1997).

Structure is a management device for facilitating execution of the organization's strategy and helping it achieve performance target (Thompson and Strickland,2007).The strategy must fit the organizational structure for implementation to be successful (Campbell *et el*,2002). Matching organizational structure to strategy requires making strategy critical activities and organization units, the main building block in the organization structure (Thompson and Strickland, 2007). A change in strategy often requires changes in the way an organization is structured (Koskei, 2003). This is because structure determines how objectives and policies are established and how the organization resources are allocated (David, 1997).

According to Pearce and Robinson (1997) successful strategy implementation depends largely on the firm's primary organizational structure. Matching the structure to strategy is a fundamental task of organization's strategists. However, (David, 1997) indicates that changes in structure can facilitate strategy implementation effort but changes in structure should not be expected to make a bad strategy good, or to make bad managers good or make good product sell. When organizational structure is ineffective it becomes difficult to implement a strategy. Systems of ineffective organizational structure as identified by David (1997) include too many levels of management, too many meetings attended by too many people, too much attention directed toward solving inter-departmental conflict, too large span of control, and too many unachieved objectives. According to Johnson and Scholes (1997) structure in itself will not ensure success of strategy, although an inappropriate choice of structure could impede success.

According to Thompson and Strickland (1989), organization's administrative support system must fit the needs of a strategy. Consideration must be given to ,what kind of strategy – facilitating policies and procedures to establish ,how to enhance organizational capabilities via installation of new or enhanced administrative and operating system and also how to get the right strategy critical information on a timely basis.

Policies facilitate solving recurring problems and guide implementation of strategy. They also set boundaries, constraints, and limits in the kind of administrative activities which can be taken to reward behavior, clarify what can and cannot be done in pursuit of an organizational objectives (David, 1997).

A strong culture and a tight strategy – culture fit are a powerful levers for influencing people to do their job better. To implement and execute a strategic plan, an organization culture must be closely aligned with its strategy (Thompson and Strickland, 2007). Strategists should strive to preserve, emphasize and build upon aspects of an existing culture that support proposed new strategies and also identify and change aspects of an existing culture that are antagonistic to proposed strategy (David, 1997). According to Brown (1998) if a strategy is vital to the success of an organization but its culture cannot

accommodate implementation plan designed to realize it, there is a good case for managing around the culture.

CHAPTER THREE RESEARCH METHODOLOGY

3.1 Research Design

Strategy implementers have a challenge to design a reward system that motivates people to do the things it takes to make strategy work successfully. Rewards have to be used creatively and tightly linked to the factors necessary for good strategy (Thompson and Strickland 2007).

2.7 Summary

As already revealed under section 2.6 of the study, organizations face several challenges in the implementation stage of strategies. The challenges differ from one organization to another depending on the organization's situation factors, which are both within and outside the organization.

Primary data was collected at Kenyatta National Hospital from the key departments. Personal interview guides was used to collect information from the Chief Executive Officer, the Deputy Directors and Heads of departments / managers through in-depth interviews. The researcher personally interviewed the interviewees so as to have an opportunity to clarify issues arising during the interviews and also gain any new information.

The target group of interviewees included the Chief Executive Officer, the Deputy Directors in clinical services and finance and administrative services, Heads of Finance, Supplier and Procurement, Human resource Planning, Engineering and Maintenance, Surgery, Medicine, Nursing, Radiology, Laboratory medicine and Pharmacy departments.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The study was conducted through a case study research design. Kithara (1990) defined a case study as a very powerful form of qualitative analysis and involves a careful and complete observation of a social unit, which may be a person, family, an institution, a cultural group or an entire community. Case study deals with depth rather than breath of issues. In this particular research the case study would give in-depth account of how Kenyatta National Hospital has been responding to challenges of strategy implementation.

3.2 Data Collection

Primary data was collected at Kenyatta National Hospital from the key departments. Personal interview guides was used to collect information from the Chief Executive Officer, the Deputy Directors and Heads of departments / managers through in depth interviews. The researcher personally interviewed the interviewees so as to have an opportunity to clarify issues arising during the interviews and also gain any new information.

The target group of interviewees included the Chief Executive Officer, the Deputy Directors in clinical services and finance and administrative services, Heads of Finance, Supplies and Procurement, Human resource Planning, Engineering and Maintenance, Surgery, Medicine, Nursing, Radiology, Laboratory medicine and Pharmacy departments.

3.3 Data Analysis

Data collected was analyzed using content analysis. This is because the method transcribe interview data into information as per the response given in the list of the pre-designed interview guide and the methodology does not restrict respondents on the answers. It also has a potential of generating new information with much details.

4.2 Strategy Formulation at Kenyatta National Hospital

Kenyatta National Hospital has both vision and mission statements. The hospital's vision is to be a regional centre of excellence in the provision of innovative and specialized health care. The vision statement expresses its shared aspiration as an organization and is the starting point for giving shape and direction. The vision statement was changed when the hospital formulated its first formal strategic plan 2005-2010. The mission on the other hand gives the hospital's identity and unique purpose. The mission has not changed since it is delivered from the hospital's mandate as spelt in the legal notice No. 109 which changed the hospital's status into a state corporation. The mission of the hospital is to provide specialized quality health care, facilitate medical training, research and participate in national health planning and policy.

The hospital formulated its first formal strategic plan in 2005 in which ten strategic issues were identified and for each of these issues, various performance objectives were set. The strategic issues were: to review the legal frame work and organizational structure, rehabilitate and modernize physical facilities and equipment, have terms and conditions of service that will attract and retain its required personnel, provide adequate finances, have effective and efficient procurement procedures, provide effective quality assurance and control management systems, improve and maintain public image, improve training and research facilities, establish inter-institutional linkages and to establish relevant ICT frame work. The process of strategy formulation was driven by top hospital management

CHAPTER FOUR

FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter details the findings of the study based on the analysis and interpretation of the primary and secondary data collected. The study was intended to achieve two objectives, first to determine challenges of strategy implementation at KNH and second to establish measures taken by KNH to cope with the challenges of strategy implementation. The chapter analyses in details the findings of the study with regard to the two objectives.

4.2 Strategy Formulation at Kenyatta National Hospital

Kenyatta National Hospital has both vision and mission statements. The hospital's vision is to be a regional centre of excellence in the provision of innovative and specialized health care. The vision statement expresses its shared aspiration as an organization and is the starting point for giving shape and direction. The vision statement was changed when the hospital formulated its first formal strategic plan 2005-2010. The mission on the other hand gives the hospital's identity and unique purpose. The mission has not changed since it is delivered from the hospital's mandate as spelt in the legal notice No. 109 which changed the hospital's status into a state corporation. The mission of the hospital is to provide specialized quality health care, facilitate medical training, research and participate in national health planning and policy.

The hospital formulated its first formal strategic plan in 2005 in which ten strategic issues were identified and for each of these issues, various performance objectives were set. The strategic issues are:- to review the legal framework and organizational structure, rehabilitate and modernize physical facilities and equipment, have terms and conditions of service that will attract and retain the required personnel, provide adequate finances, have effective and efficient procurement procedures, provide effective quality assurance and control management systems, improve and maintain public image, improve training and research facilities, establish inter-institutional linkages and to establish relevant ICT framework. The process of strategy formulation was driven by top hospital management

and was as a result of participating and wide consultations from experts and key stakeholders. Being an initiative of the top management strategy formulation, development and implementation occupies a central role in the hospitals formal management process.

4.3 Strategic Management Practice

The extent to which KNH undertakes strategic management practices is analyzed in the table 4.1

Table 4.1: Evidence of strategic management process at KNH

Description	Number indicating yes (%)	Number indicating No.(%)	Remarks
Knowledge of existence of vision and mission	11 (100)	0 (0)	Very satisfactory
Existence of the long term plans	5(45.5)	6(54.5)	Not satisfactory
Empowerment in making strategic decision	6(54.5)	5(45.5)	satisfactory
Involvement in formulation of strategic decisions	8 (72)	3(27.3)	Satisfactory
Annual work plan complementing strategic plan	11(100)	0(0)	Very satisfactory
Adequacy of communication of strategies	3(27.3)	8(72)	Not satisfactory

Source: Research Data

The organization scores highly on the knowledge of existence of the vision and mission statements and also on extent to which the annual work plan complement the strategic

plan. In the participation of the formulation of the strategic plan the score is low because some of the respondents joined the organization after the strategic plan had been formulated. Very few respondents appeared to know that the organization has another strategic plan on the management of HIV/AIDS control and management. Respondents felt that there was little publicity during the formulation of the strategic plan. The respondents felt that there are not fully empowered in making strategic decisions. They are mainly involved in proposing issues during the management meeting but the final decision in which strategy is to be implemented rests on the Board of Management.

4.4 Personnel Competencies and Availability

Success in strategy implementation depends on adequate staff, and skills and competencies possessed by them. Table 4.2 analyses the extent to which staff are available at KNH and their competencies.

Table 4.2: Personnel competencies and availability

Description	Number indicating yes (%)	Number indicating No. (%)	Remarks
Staff availability	4 (28.5)	10 (71.4)	Most of the department don't have adequate number with relevant skills to enhance strategy implementation
Staff recruitment	10(91)	1(9)	Staff recruitment is based on the number of vacant posts available and specific job qualifications rather than the strategy skills
Management skills	6 (42.8)	8 (57.1)	The general feelings is that the managers, especially in the clinical area do not have adequate management and administrative skills

Source: Research Data

The study established that whereas the organization has many staff in terms of number, staff distribution is a major problem. Some departments lack the necessary technical staff especially in the clinical areas to enhance strategy implementation. It was established that most staff once they attain the necessary qualifications and experience opt to leave the organization in search of well paying jobs in other organizations or outside the country which is common to nurses and doctors.

With regards to strategy training the respondents felt that very little was given during the formulation of the strategic plan in form of short seminars or workshops. The feeling was that, there is need for all those within the management level to undergo thorough training in strategic management and implementation. In terms of training geared towards management skills the feeling was that those in clinical areas have little or no training as most of them acquire management skills on the job through experience.

4.5 Reward Systems

The study established that the reward system at Kenyatta National Hospital is not supportive of strategy implementation since it is not based on performance, but rather on salary at the end of every month. The respondent indicated that this was because KNH as government institution does not recognize rewarding performance through cash rewards. However, currently there is an attempt to recognize performance through the employees of the year award, during which the best employees are issued with certificates in recognition of performance.

4.6 Monitoring and Evaluation

Respondents stated that the hospital has a formal way of monitoring and evaluating strategy implementation. Every financial year the organization prepares annual work plans which are derived from the strategic plan. Performance contracts are also in place through which targets are set to monitor performance.

Each department also prepares an annual work plan based on performance contract and issues in the strategic plan relevant to the particular department. The department of planning performs the evaluation exercise through quarterly reports submitted by all departments.

4.7 Challenges of Strategy Implementation at KNH

4.7.1 Resource Constraint

Resources, both financial and non-financial are very crucial for successful implementation of strategies. KNH has continued to face resource constraint that affects some aspects of strategic plan. Most of the strategies require availability of resources particularly for rehabilitation of facilities, replacement /refurbishment of old equipment and procurement of modern equipment. The respondents indicated that twenty projects listed in the strategic plan were too many as opposed to the revenue generated to support them. Apart from the usual scarcity of resources the respondents felt exclusion of departmental staff in the preparation list of priority of the projects has resulted to some crucial projects being left out at the time of budgeting. The feeling was also that capital budgeting is not professionally made since no feasibility studies are conducted and little or no financial projections are made.

Financial constraint has resulted to great challenge in maintenance of equipment and rehabilitation and replacement of the equipment. Lack of resources required to implement preventive maintenance has been an impediment for timely services and repair of equipment. Financial constraint has led to inability to procure spares accessories and consumables. It has also led to non-programming replacing equipment as they reach end of their economic life. This has resulted to poor performance, poor patient care and poor public image

KNH relies heavily on revenue generated from fees paid by patients. However, being a government institution, the fee charged is controlled by the government and in addition most patients are not able to pay for the services rendered. As a result about half of the revenue projected in the budget is not collected, which then affect implementation due to

lack of funds. It has therefore been difficult for the hospital to acquire the equipment listed in the plan and also rehabilitate the physical facilities.

The study established that the hospital has not been receiving adequate funding from the government due to budgetary constraint. The funding has been below the projected budget requirement of the hospital .Table 4.3 shows the KNH proposed budget against the actual allocation between 2005 and 2008

Table 4.3: Proposed Budget Against actual Budget

Financial yr.	Budget proposal(ksh)	Actual allocation(GOK)ksh	Cost sharing funds(ksh)	Total allocation+(CSF)Ksh
2005/2006	8,757,503,878	2,858,014,959	1,852,059,380	4,710,074,339
2006/2007	7,189,728,507	4,324,599,861	1,950,276,833	6,274,876,694
2007/2008	6,017,438,163	3,516,791,865	2,189,650,000	5,706,441,865

Source: KNH Budget 2008/2009 and 2007/2008

The above scenario shows mismatch between budgetary projection and the actual allocations .The study established the impact to strategy implementation are inefficiency in provision of services to patients due to lack of enough materials, inability to initiate projects listed in the strategic plan ,inadequate medical materials and consumables.

4.7.2 Lack of Support of the Organization Structure

Organizational structure is one of the most important determinant of success or failure of implementation of strategies. It is important that a fit exist between strategy and structure for successful implementation of strategies. The study established that the current structure(Appendix 4) ,does not fully support strategy implementation as it is beauracatic and has many reporting levels which delays decision making. The organizational structure has served KNH since its inception as a state corporation in 1987.Responnents felt that the structure does not support strategy implementation because it has inadequacies since it does not permit effective communication. The structure has overlaps of work , gaps in responsibilities, imbalanced workload, uneconomical utilization of some managers, duplication of levels of records and in effective management

information services. Respondents indicated that there is need to have a structure that will appropriately address core functions and challenges faced by the hospital by embracing divisions of work activities, linkages of various functions and activities, have levels of specialization, clear hierarchy and authority structure and reporting relationships. Example of the gap in the structure is absence of an ICT manger yet one of the strategies is to establish ICT infrastructure for the hospital.

The study established that the current structure is more organized for administrative section, where the managers are empowered to make decisions through the weekly management FINAD meetings. However, its weak in clinical areas, where there are cases of several departments lumped together and not all heads of department are members of senior management team. As result they are not part of the management process. The respondents indicated that, when the current strategic plan was being formulated a new organization structure (Appendix 5), was proposed which is yet to be implemented. The respondent felt that there is need to adopt the new structure which would support timely and successful implementation of strategies.

4.7.3 Skills and Capabilities

Implementation of strategies not only requires adequate staff but also composition for success to be realized. The study established high staff turnover as one of the challenges of strategy implementation. The hospital has staff strength of 4,955 and an approved establishment of 6,213, giving a variance of 1258. The short fall has been caused mainly by resignation of highly trained staff, which has resulted in understaffing of certain critical areas, such as nursing department where the patient nurse ratio is below the WHO recommended ratio of 1:6 for general areas and 1:1 for critical areas. The study established that the current the ratio is 1:30 in in-patient wards, 1:50 in out patient clinics and 1:3 in critical care units.

Table 4.4 shows the staffing structure.

Table 4.4: Staff Structure

Cadre	Total establishment	No.Available	Vaccancies
Adm. staff	328	201	127
Doctors	379	271	108
Paramedics	2615	2155	460
Professional support services	364	245	119
General cadre	1218	957	261
Auxiliary staff	298	222	76
Support staff	1011	904	107
TOTAL	6213	4955	1258

Source: KNH Strategic plan 2005/2010

4.7.4 Lack of Team Work

Successful strategy implementation is achieved when there is high degree of collaboration and consultation among different departments or units. The study revealed that in some instances there is a lot of infighting, blame game and passing the back especially between finance, supplies and procurement, and maintenance departments. Also the fact that in clinical areas there no clear divisions and responsibilities ,make some departmental heads feel like they are not empowered to make decisions. This result in delays in availing material required for provision of services.

4.7.5 Effects of Culture on Strategy Implementation

The study identified some aspects of the organization culture as being unsupportive and impending successful strategy implementation. The respondents indicated that aspect of fear is common which results to resistance to change. A case in point is where many people feared the effect of performance contracts .The feeling was that those who do not perform will be sacked. As result many targets sets are not challenging or reports on

performance are not based on facts. The other aspect of culture is where most staff are more comfortable with "business as usual" attitude, thus making them slow in embracing any change.

4.7.6 Policies, Guidelines and Regulations

KNH being a government institution is governed by the policies, guidelines and regulations issued by the government. Some of them have been an impediment to strategy implementation. The current freeze on recruitment by the government has affected replacement of staff, who have left the hospital. On the other hand the current procurement act 2005 and the procurement regulations 2006 though good slows down the procurement process and affects availability of materials. The government has issued a circular instructing all government institutions to ensure that their strategic plans are inline with the vision 2030. This will mean that the current strategic plan for KNH has to be reviewed to be in-line with vision 2030.

4.7.7 Communication Obstacles

Communication of strategies to all members of staff is very crucial for implementation to be successful. Respondents felt that there was no sufficient communication from top management to lower level of staff with respect to strategy implementation. Respondents indicated that communication did not go below the level of middle level managers. Copies of strategic plans were made available up to the level of middle managers. There was limited communication between strategy formulators and those expected to implement. Respondents felt that even the annual plans are not communicate to members of staff. Departmental heads attend workshops where annual work plans are developed annually all but most of them do not communicate them to members of staff

4.7.8 Inadequate Information and Operating Systems

Organizational strategies cannot be successfully implemented without a number of internal operational systems. The study revealed that KNH lags behind in information and communication technology (ICT). This has affected smooth operations in critical

areas such as finance, inventory management and patient information and records management. Respondents indicated that the organization is currently in the process of being computerized and a consultant is already on the ground. If KNH deploys good state of the art operating system it will greatly improve strategy implementation process in terms of improved revenue collection, timely availability of materials, and tracking down of patient information thus resulting to better patient management.

4.7.9 Factors in the Macro Environment

The study identified factors in the macro environment that acts as a source of strategy implementation challenges. Political instability and economic recession has impacted negatively as they mainly affect availability of resources, which is crucial for strategy implementation. Respondents cited the political instability in January and February 2008 following the announcement of the presidential election results whose effect was an instant increase in number of patients attended to in the hospital. Most of these patient could not pay their bills thus affecting the budget.. The changes in the environment are continuous and they call for adjustment of some strategies in order to accommodate such changes. This has in some cases resulted to implementation of some projects being differed and prioritization of projects changing.

4.7.10 New and Re-emerging Diseases

The respondents indicated that the hospital services are being affected and resources constrained by new and re-emerging diseases such as HIV/AIDS, drug resistant malaria, multi drug resistant tuberculosis and the re-emergence of communicable diseases, such as cholera, typhoid and dysentery in the recent past. There also has been a rise in the non-communicable diseases, such as cardiac diseases whose treatment requires specialized services like dialysis, critical care and radiotherapy. This has had an adverse effect on strategy implementation due it effect on budget.

4.7.11 Influx of Patients

The collapse of the referral system in government hospitals led to increase in number of in -patient and out- patient received in hospital .The study revealed that the increase in

numbers has resulted to increased workload and subsequently pressure in physical, financial and human resources.

4.7.12 Current Education System

Teaching and research are some of the core functions of the hospital. Since 1967 KNH has been the main institution for training medical doctors and other health professionals at diploma, undergraduate and post graduate levels from the University of Nairobi Kenya Medical Training College medical institutions. The study established that the recent past, the demand of health personnel has increased tremendously. As a result, the University of Nairobi, KMTC and other health training institutions have increased their admission capacities programmed. Respondent indicated that this has posed as a challenge to strategy implementation, because the facilities for training at KNH have not expanded to meet the demand of training institutions. The increase of numbers admitted and the introduction of the parallel programme alongside general studies have over stretched training facilities at KNH. This is because due to financial constraints, the funding to the hospital for increased training materials has not expanded in line with increase of studies and number of patients in the hospital. As a result the demand on the available equipment in the hospital has outstripped the capacity.

4.7.13 Impact of Poverty on the Hospital

The study established that the fact that most of the Kenyan population lives below poverty line has posed a major challenge, because majority of those visiting the hospital as patients fall within this category. The levels of unemployment and poor economic conditions in the country means that, most of these patients are unable to settle their bills thus leading to reduced revenue collection from cost sharing scheme. Table 4.5 depicts the level of indebtedness of patients to KNH which has impacted negatively on the hospitals ability to raise revenue, offer quality service and be financial self-sustaining.

Table 4.5: Level of indebtedness of patients to KNH

Year	Amount (ksh)
2005/2006	1,777,616,731
2006/2007	1,588,805,875
2007/2008	1,450,000,000

Source: KNH Budget 2008/2009

4.8 Coping with Challenges of Strategy Implementation

4.8.1 Information and Operating System

Kenyatta National Hospital had realized the need to have information and technology system in place. As a result it has already engaged a consultant, Osano and Associates, to come up with the requirements and facilitate the process of installing ICT system. It is hoped that once the system is in place will improve revenue generation, availability of materials by having proper inventory management, and patient management functions. The system once deployed will enhance achievement of the hospital vision of provision of quality health care.

4.8.2 Communication Process Improvement

The hospital is making improvement of its communication strategy by ensuring top bottom communication. There are management meetings held on every Monday, while administrative departments hold FINAD meetings every Thursday in which issues relating to strategy implementation are deliberated and solutions suggested. All departments are encouraged to hold regular departmental meetings with members of staff so as to enlighten them of any upcoming changes that would affect them. The hospital is also making efforts to ensure feedback through customer and employee satisfaction surveys which are being conducted annually. Patients exit surveys are being conducted and evaluation done on weekly basis. This is helping the hospital identify its weaknesses in provision of services and coming up with corrective measures. In order to improve communication and team work KNH has been encouraging team building exercise. The first team building session was conducted in August 2008 at Lake Bogoria where all

departmental heads participated. Other measures undertaken to improve communication include provision of mobile phones and airtime, and also e- mail services to all heads of department.

4.8.3 Enhancement of resource capability

KNH has realized the challenges posed by inadequate resources to successful implementation of strategies. As a result departments are being encouraged to prioritize the requirements while preparing the annual work plans and also ensure all expenditure is within the budget. The organization has also come up with a system of ensuring that all services rendered to patients are captured and invoiced so to enhance revenue collection.

4.8.4 Training and Skills Enhancement

In order to equip the members of staff with the right skills , KNH has been sponsoring management staff and technical staff in clinical areas for post graduate training. It has also been made mandatory that each member of staff attend at least one fully sponsored training for about seven days per year. The hospital also encourages those willing to go for relevant training on self sponsorship by releasing them and reimbursing part of training cost upon completion of the course.

4.8.5 Culture change

In order to improve the corporate culture and the image of the hospital, KNH in 2007 under took customer care training to all members of staff .A module is also included in the induction course of the newly employed members of staff. KNH also noted the impartiality in salaries between various cadre .As a result a committee has been appointed to review the schemes of services where members of staff from each department are allowed to participate by submitting their proposals.

4.8.6 Collaboration with other institutions

The hospital is collaborating with other institutions in providing clinical services, research and outreach services in collaboration with local and international organizations. Such organization include ,Heart to Heart Foundation ,National AIDS Control among others .The hospital benefit in form of getting free materials, medical equipment and specialized services from the personnel facilitating the services.

4.8.7 Rehabilitation of Existing Structures and Medical Equipment

The study established that the hospital is currently rehabilitating the existing structures and medical equipment for competitive and effective provision of specialized care. This will enable the hospital to cater for the demand of training personnel for national needs. Respondents felt that with proper facilities and equipment, research will be undertaken to ensure improvement in delivery of health care to citizens at optimal level.

Rehabilitation has already taken place in the Accident and Emergency department, Registrars Flats, Laundry, Specialized units and, replacement of lifts. Modern and state of the art equipment have been procured for Radiotherapy Radiology, Laboratories Dental, A &E and CCU areas, Renal unit and Cardiology unit.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The study examines implementation of strategies (Corporate Strategic Plan, 2005-2010) and challenges faced by KNH in the implementation of the strategies. The objectives of the study were to determine challenges of strategy implementation at KNH and the measures taken to cope with the challenges. The strategic management practices adopted by KNH and the factors that hinder effective implementation were studied. This chapter summarizes the findings of the research and the conclusions drawn. The chapter also includes recommendations and suggestions for further research.

5.2 Summary

From the research data it is clear that KNH like many other organizations has been faced with a lot of challenges during the implementation stage of the corporate strategic plan. These challenges arise mainly due to the complexity and the size of the hospital and the government control due to the fact that the hospital is a public institution. Whereas the results of the interviews conducted indicate that the hospital has well formulated strategies which to some extent have successfully been implemented the hospital has faced several challenges, which are briefly described below:

5.2.1 Inadequate Resources

The study shows that the hospital does not have adequate financial resources that can support successful implementation of the strategies. This is because of the limited financial support its getting from the government, inadequate revenue collected from patients in form of cost sharing, due to the fact that most of the services are subsidized and a huge number of the patients are not even able to pay for the subsidized services. The hospital does not also have adequate technical human resources, due to the fact that there is high staff turnover and the government has frozen recruitment

5.2.2. Unsupportive Organizational Structure

The current organizational structure is too tall and bureaucratic, in addition to having gaps within which the reporting systems are not clear especially in the clinical areas. When the hospital was formulating the current strategic plan, restructuring and rationalization of staff was done, and a new organization structure, which has clear reporting system recommended. The new organizational structure is yet to be approved by the government. This has therefore affected implementation of the strategies.

5.2.3 Organizational Policies and Procedures

The hospital being a public institution depends a lot on policies and guidelines coming from the government, which limits independence in decision making. These policies have had effects on the implementation of the strategies. If policies and procedures do not support the strategy, they become a barrier to changes the strategy may be seeking to promote. Policies should only provide guidance rather than being a barrier to strategy implementation.

5.3 Limitations of the Study

Every study to some extent encounters limitations of resources in terms of time, personnel and finances. Scarcity of resources tends to narrow down the scope of the study and in the process chances are that some vital areas might not be covered.

The time period covered by the study was short and did not allow collection of enough data for comprehensive analysis. As a result the study only focused on the challenges encountered in the process of implementing strategies and what the organization is doing to cope with the challenges and ignored important areas such as strategy formulation.

The study also suffered from limitations arising from the case study method, which requires conducting in depth interviews and observations with the respondents. The study involved interviewing management staff who at time felt like the research was a waste of time. As result, three respondents were not available for the interview and in some case some respondents kept on rescheduling the interviews and other cases they gave very shallow answers and were not willing to be probed a lot. In some cases, where the

intended persons to be interviewed were on leave, there was no option but to interview the persons acting in their capacity, who did not have some the details required. The study was also confined to challenges of strategy implementation rather than considering the whole of strategic management process. As result, there are chances that major useful information was excluded.

5.4 Recommendations for Further Research

Strategic management process covers a wide area. This study only focused on the challenges that are encountered during the implementation of strategies. It is recommended that studies may undertaken on the effectiveness and achievements of strategy implementation.

REFERENCES

- Andrew, K. R. (1971). *The Concept of Corporate Strategy* (Bombay: Toraporevela)
- Ansoff, I. and McDonnell, E., (1990). *Implanting Strategic management* 2nd Edition Prentice Hall.
- Aosa E., (1992). *An Empirical Investigation of Aspects of Strategy Formulation and implementation within large, private manufacturing companies in Kenya* (Unpublished PhD Thesis).
- Awino, Z. B. (2001). *Effectiveness and Problems of Strategy Implementation of Financing Higher Education in Kenya by the Higher Education Loans Board* (Unpublished MBA Dissertation)
- Bateman ,T.S and Zeithaml,C.P. (1993). *Management, Function and Strategy*. Richard,D. Irwin,Inc.Boston 2003
- Bonoma, T.V (1984), Making your Marketing Strategy work. *Havard Business Review* (march-April). In koske. F.K (2008) strategy implementation and as challenges in public corporations, to case of Telkom Kenya Ltd.
- Boseman, G.and Phatak A. (1989). *Strategic Management, Text and ,Cases*. 2nd Edition.
- Brown, A. D., (1998). *Organization Culture*. 2nd Edition. Finance Time. Prentice Hall
- Campbell,D.and Stonehouse,G,Houston, . B (2002).*Business Strategy*. An introduction. Second Edition.
- Chandler, A. (1962). *Strategy and Structure*. Chapters in the History of America Industrial Enterprises Cambridge Massachusetts, MITs Press.
- Charan,R.and Colvin,G.R.(1999).*Why CEO's fail* .Fortune magazine 21 June 1999
- Chapman,A.(2004).Strategy implementationand realization.Available,www.business.com

- David J.R.(1997). *Strategic Management Concept & cases*, 9th edition, Prentice Hall N. J.
- George, C. D. (2002). *Business Strategy*. An Introduction. 2nd Edition.
- Hax, A., and Majluf N. (1991). *The Strategy Concept and process*. A pragmatic Approach. Prentice-hall International. Inc.
- Hill, C. W. L., and Jones, G. R. (1999) *Strategic Management Theory*. An Integrated Approach.
- Hofer C. A. (1984). *Strategic Management. A case book in policy planning* 2nd edition (Minnesota west publishing).
- Johnson, G. and Scholes, K. (1987). *Exploring Corporate Strategy*. 4th edition. Prentice Hall of India.
- Johnson, G. and Scholes, K. (2002). *Exploring Corporate strategy*, 6th edition. Prentice hall, Europe.
- Johnson, G. Scholes K. and Whittington, R., (2005) *Exploring Corporate Strategy*. Text and cases. 7th Edition. Prentice hall.
- Juach,L.R.and Gluech,W.F.(1988),*Business policy and strategic management* Mcgraw-Hill,Inc,5th edition
- Kandie, P. Y. (2001). *A study of Strategic responses by Telkom Kenya Limited in a competitive Environment* (Unpublished MBA Dissertation).
- Karuri,T,W.(2006).*Challanges of strategy implementation in development of financial institutions*. A case of Industrial and Commercial Development Corporation (ICDC).
- Kaplan, R,T. and Norton ,P.N. (2004).*Measuring the strategic readiness of intangible Assets*. Havard Business Review.

- Koskei, F.K., (2003): Strategy implementation and its challenges in Kenya public Corporations. A Case of Telkom Kenya Ltd. (Unpublished MBA Dissertation)
- Kothari, C.R. (1990). Research Methodology Methods and Techniques, Washara Prakashan, Second Edition
- KNH (2005). *Kenyatta National Hospital. Strategic Plan (2005-2010)*
- Learned E.P Christen, R.C Andrew K.R and Guth N.D (1969). *Business policy. Text and Cases.*
- Lyson, K., and Farrington, B. (2006). *Purchasing and supply chain management. 7th edition* Prentice Hall.
- Machuki, N. V, (2005). *Challenges to strategy implementation at CMC* (Unpublished MBA Dissertation).
- Manyarkiy, T.J., (2006) .The challenges facing middle managers in the implementation of corporate strategic plan at NSSF (Unpublished MBA Dissertation)
- Mitzberg, H. Lampel, J., Quinn, J. B., and Ghoshal, S., (2002). *The strategy process. Concept Context Cases.* Global Fourth Edition.
- Mitzberg, H and James, A.W. (1985). "Of Strategies, Deliberate and Emergent". Strategic management journal .Vol.6(1985):257-272
- Nachmias, V. F., and Nachmias, D., (1996). *Research methods in social sciences.* Fifth edition.
- Ngumo, E. M. (2006). *Challenges of strategy implementation in the scriptures union of Kenya.* (Unpublished MBA Dissertation).
- Okiro, H. A. (2006) in *Management perception of the influence of institutional culture in the implementation of change in the university of Nairobi* (Unpublished MBA Dissertation).

- Olali P. N. Mathiu (2006). *A survey of the challenges in Strategic plan implementation in the co-operative bank of Kenya Limited*. (Unpublished MBA Dissertation)
- Ongaro, K., (2004). *Strategic Change management in Kenyatta National Hospital* (unpublished MBA Dissertation).
- Pearce, J. A. (II) and Robinson, R. B. (Jr) (1991). *Strategic Management: Formulation and Implementation*. Richard Irwin. Inc.
- Peters, T. J. and Waterman, R. H. (Jr.) (1982). *In search of Excellence: Lesson from America's Best Run Companies*. Harper and Row Publishers, New York.
- Porter, M. E.(1996). "What is strategy?". Harvard Business Review, Business Classic: Fifteen key concepts for management success , Harvard Business School Publishing.
- Quinn ,J.B (1980). Strategies for change, logical incrementalism.Homewood ID Irwin
- Saunders, M., (1997) *Strategic purchasing and Supply chain management*. Pitman publishing.
- Stanleigh. M,(2007). *From crisis to control: The strategic change management process*. ASTD 2007 International Conference and exposition .Atlanta, Geogia. Available www.bia.ca
- Steiner, G. A. (1979). *Strategic Planning , What every manager must know*, The free press.
- Thompson A. A., Jr. Strickland III A. J. and Gamble, J. E. (2007).*Crafting and Executing Strategy*, Text and Cases 15th Edition. McGraw-Hill international Edition.
- Thompson, A. A. and Strickland, A. J. (2003). *Strategic Management, concept and Cases* Taata McGraw-Hill Publishing. Co. Ltd. New 13th Edition.

Thompson, A. A. Jr. and Strickland, A. J. (1989). *Strategy formulation and implementation. Tasks of the General Manager* McGraw-Hill Publishing. Co. Ltd. 4th Edition.

APPENDIX I

Thompson, J. L. (1990). *Strategic Management: Awareness and Change*, Chapman and Hall.

Tregoe B and Tobias, P., (1991). " *Strategy view planning, Bridging the gap*". The journal of Business Strategy 12(6)

Woolridge, G., Floyd. S., (1990). *Bridging the gap between strategy and operations*. The implication of middle management involvement in strategy .The annual international conference of the strategic society proceedings, stockholm.

5. Does the Hospital have long term plans? Explain
6. Who is responsible for formulating strategies at KNH? What are the current strategies?
7. To what extent are the managers empowered to make strategic decisions at KNH? Explain.
8. Would you say the management staff has the skills required to successfully implement strategies? Why? Why not?
9. Does the management staff receive training geared towards equipping them to understand the concept of strategy and its implementation? Who conducts the training? (Probe)
10. In your opinion, is staff recruitment done based on the ability to implement strategies? Explain
11. Are reward systems used to ability to implement strategies? Does this apply to everyone in the organization? (probe)
12. Does the organization prepare annual work plans? Explain
13. Do you think the annual work plans complement the strategic plans? Explain
14. Does KNH management always refer to the master plan when implementing strategies? Explain

APPENDIX 1

Interview Guide

To be answered by the Hospital CEO

1. How many years have you worked at KNH?
2. What is your main responsibility in the organization?

Strategic Management Practices

3. Do you know the vision and mission statements of Kenyatta National Hospital?
4. Has the Vision and Mission of KNH changed in the last 10 years. If so why did it change?
5. Does the Hospital have long term plans? Explain
6. Who is responsible for formulating strategies at KNH. What are the current strategies?
7. To what extent are the managers empowered to make strategic decisions at KNH? Explain.
8. Would you say the management staff has the skills required to successfully implement strategies? Why? Why not?
9. Does the management staff receive training geared towards equipping them to understand the concept of strategy and its implementation? Who conducts the training? (Probe)
10. In your opinion, is staff recruitment done based on the ability to implement strategies? Explain
11. Are reward systems tied to ability to implement strategies? Does this apply to everyone in the organization (probe)
12. Does the organization prepare annual work plans? Explain
13. Do you think the annual work plans complement the strategic plans? Explain
14. Does KNH management always refer to the master plan when implementing strategies? Explain.

15. Is there continuous monitoring of strategy implemented to ensure it is in tandem master plan? Who does the monitoring? How frequent is this done?

Challenges of Strategy Implementation

16. How supportive to the strategy implementation, is the current organization structure? Are there changes that can be made? Why? Why not?
17. What are your comments on overall resource mobilization in terms of access and utilization to enhance implementation of the strategic plan? Are the available resources (physical, financial, human and technological) adequate?
18. What role has the corporate culture played in the success or impediment of the implementation of strategic plan? Explain.
19. In your opinion would you say that the existing policies (guidelines, procedures, rules and administrative practices) pose any challenge in facilitating strategy implementation? Explain.
20. Was there adequate communication of the strategies to the staff? Explain.
21. Are there any uncontrollable factors in the external environment that have adverse impact on strategy implementation? Explain.
22. Are there any other challenges KNH is facing in the implementation of strategies? Explain.
23. What is KNH doing to cope with the challenges you have described (probe fully).

Thank you for your contribution and patience

APPENDIX 2 in the strategy implementation process?

Interview Guide

To be answered by the Hospitals Deputy Directors and Departmental heads/Managers

- 1) How many years have you worked at KNH ?
- 2) What is your main responsibility in the organization?

Strategic Management Practices

- 3) Do you know the vision and mission statements of Kenyatta National Hospital
- 4) Has the Vision and Mission of KNH changed in the last 10 years. If so why did it change?
- 5) Does the Hospital have long term plans? Explain
- 6) What role did you play in the strategic planning? Explain.
- 7) To what extent are the managers empowered to make strategic decisions at KNH? Explain.
- 8) Would you say the management staff has the skills required to successfully implement strategies? Why? Why not?
- 9) Does the management staff receive training geared towards equipping them to understand the concept of strategy and its implementation? Who conducts the training? (Probe)
- 10) In your opinion, is staff recruitment done based on the ability to implement strategies? Explain
- 11) Are reward systems tied to ability to implement strategies? Does this apply to everyone in the organization (probe)
- 12) Does the organization prepare annual work plans? Explain
- 13) Do you think the annual work plans complement the strategic plans? Explain
- 14) Does KNH management always refer to the master plan when implementing strategies? Explain.
- 15) Is there continuous monitoring of strategy implemented to ensure it is in tandem master plan? Who does the monitoring? How frequent is this done?

Challenges of Strategy Implementation

- 16) What are your comments on the current organization structure in terms of support in the strategy implementation process?
- 17) In your opinion do you find the resource allocated to your department adequate for successful implementation of the strategies?
- 18) Are there adequate capabilities of employees involved in the implementation of the strategic plan? Explain.
- 19) What role has the corporate culture played in the success or impediment of the implementation of strategic plan? Explain.
- 20) In your opinion would you say that the existing policies (guidelines, procedures, rules and administrative practices) pose any challenge in facilitating strategy implementation? Explain.
- 21) Was there adequate communication of the strategies to the staff? Explain.
- 22) Has there been any uncontrollable factors in the external environment that have adverse impact on strategy implementation? Explain.
- 23) Are there any other challenges KNH is facing in the implementation of strategies? Explain.
- 24) What is KNH doing to cope with the challenges you have described (probe fully).

Thank you for your contribution and patience

L.W. MUTUGI
MBA STUDENT

Appendix 3: Letter of Introduction

University of Nairobi, School of Business
Department of Management, Science
P.O. Box 30197
NAIROBI.

Dear Respondents,

RE: SEARCH FOR RESEARCH DATA

I am a post graduate student at the University of Nairobi pursuing a course in Masters of Business Administration (MBA), specializing in strategic management. In partial fulfillment of the course requirement, I am conducting a case study on challenges of strategy implementation at KNH.

For the purpose of completing my research, I wish to collect data through the attached questionnaire. I shall be grateful if you kindly allow me to interview you.

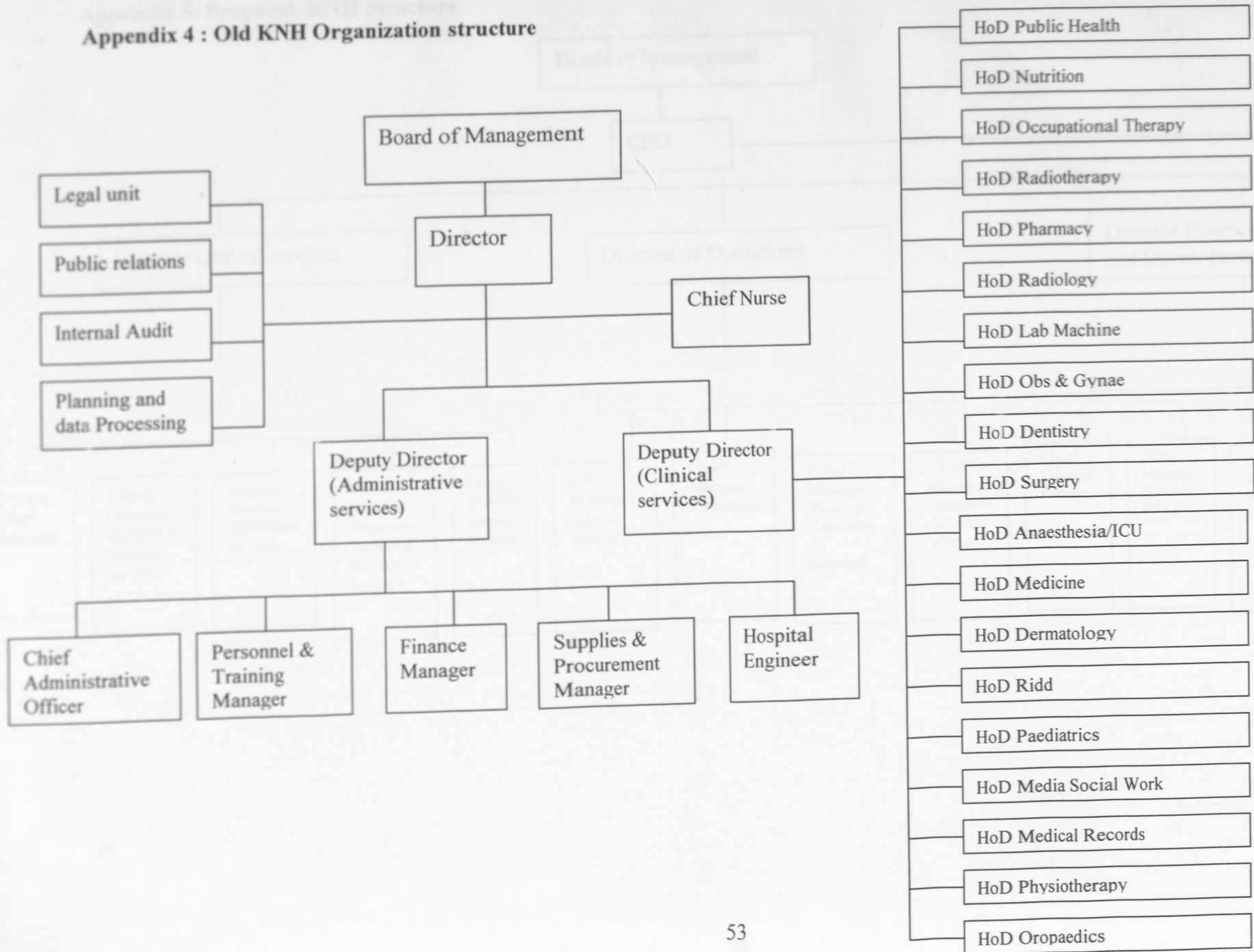
The information provided is purely for my research project and will be treated with strict confidentiality. A copy of the final research report will be availed to you upon request.

Thank you for your co-operation.

L.W. MUTUGI

MBA STUDENT

Appendix 4 : Old KNH Organization structure



Appendix 5: Proposed KNH Structure

