

**CHALLENGES OF STRATEGY IMPLEMENTATION AT KENYA POLICE  
SACCO**

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

**2019**

## **DECLARATION**

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

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**D61/5442/2017**

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

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## **DEDICATION**

This project is dedicated to my parents for all their support and for wonderfully bringing me up to become the person that I am today. It's also dedicated to my son Prince Gift Lewah and my beautiful daughter Monica Umazi for being such a central source of happiness and motivation in my life.

## **ACKNOWLEDGEMENT**

I would like to take this opportunity to thank my creator for the long journey in academic and for this far he has brought me in life. This level of success would not have happened if it were not for his mercies.

My deepest and sincere appreciation goes to Dr. Winnie Njeru and my moderator Professor Ogutu for the valuable guidance and contribution during the entire process. Thank you for sparing the time to read, listen and for all your advice.

My sincere appreciation also goes to the CEO of Kenya Police Sacco for accepting and offering me an opportunity to conduct my study in the organization. I say thank you to the senior managers who found time from their busy schedules to sit down on a one on one interview and to provide valuable information that became the basis of this project.

Am humbled and remain grateful to you all.

## ABSTRACT

Strategy implementation is crucial for any firm that aims to achieve its long-term goals. The test of a successful strategy execution is pegged on the actions put in place to meet certain set targets spelled out in a well orchestrated strategic plan. The challenges to be encountered in the implementation process may be as a result of poor communication, lack of stakeholder involvement in both strategy formulation and implementation, ineffective leadership, poor employee morale and motivation among others. Strategies are implemented differently in different organization. This study was guided by the following objectives; to determine the challenges faced by Kenya Police Sacco during strategy implementation process and to identify the measures put in place to overcome such challenges. The research used a case study research design approach and used primary data which was collected through the use of an interview guide. The researcher interviewed four senior managers at the Kenya Police Sacco out of the possible target of five. Data collected was qualitative in nature and content analysis was used to analyze this data. The study revealed very minimal challenges to strategy implementation at the Kenya Police Sacco; the key being related to technological shifts in infrastructure, skills and equipments. Government regulations and policies was another external force which had posed a significant challenge to KPS operations and also altered the way the SACCO implemented its strategies from time to time. Government regulations and policies was observed as a force that KPS as an organization had little control over. Effective strategic leadership played a central role and was seen as an important link to many other factors that in turn became a pillar to the success of the strategy implementation phase at the Sacco. The leadership ensured enough resources were adequately distributed and allocated depending on various key departmental needs thus becoming a source of competitive advantage. The Sacco had taken strategy implementation process to a whole new level. The research established that Kenya Police Sacco did not put much emphasis and effort on or they were not enough employee trainings conducted to facilitate effective implementation of company strategies. The study recommends frequent monitoring and adjustment of the organization's activities and events in order to fit into the ever dynamic external environment. This study recommends accountability of managers in the area of organizational growth and development. Being a case study with a narrow focus on a single unit organization became one of the biggest limitation to this study as its findings cannot be generalized to other Saccos in Kenya.

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## **ABBREVIATIONS AND ACRONYMS**

<b>AI</b>	:	Artificial Intelligence
<b>CEO</b>	:	Chief Executive Officer
<b>BOSA</b>	:	Back Office Service Activity
<b>EDT</b>	:	Environmental Dependency Theory
<b>GOK</b>	:	Government of Kenya
<b>ICT</b>	:	Information Communication Technology
<b>IT</b>	:	Information Technology
<b>KPS</b>	:	Kenya Police Sacco
<b>MBA</b>	:	Master of Business Administration
<b>RBV</b>	:	Resource Based View
<b>SACCO</b>	:	Savings and Credit Cooperative Societies
<b>SASRA</b>	:	SACCO Societies Regulatory Authority
<b>TMT</b>	:	Top Management Team
<b>UK</b>	:	United Kingdom
<b>USAID</b>	:	United States for International Development



# **CHAPTER ONE: INTRODUCTION**

## **1.1 Background of the study**

The business environment has become more dynamic and competitive. This has posed a new range of challenges on firms, thus calling for new approaches to be adopted by firms to address them. This enables organizations to map out a clear route on how it will achieve its objectives. In such scenarios, the execution of strategies has doubled up its relevance as part of strategic management to provide a long-term solution for companies aiming to achieve success as well as to build a sustainable competitive advantage. Strategic management is a vital tool that enables a smooth interaction between a firm and its context (Ansoff & McDonnell, 1990). Strategic management and strategic implementation phase in particular has become an important part of many organizations as it facilitates optimal positioning of the organization to its competitive environment.

Organizations depend on the environment for unique resources (inputs) and at the same time produce goods and services (outputs) for the environment (Grant, 2002). Inputs include labor, raw materials, capital, technology, etc. meanwhile products and services are produced for consumption by the environment. The environment entails both internal and external aspects of the firm. The two aspects call for a strategist's understanding and making regular adjustments on the actions put in place by their organization in order to enable them take full advantage of opportunities meanwhile at the same time manage threats that are posed by the environment (Johnson, Scholes & Whittington, 2006). The key environmental factors are demographic trends, technological, socio-cultural, economic, climatic, legal and political conditions (Ansoff & McDonnell, 1990).

This study is underpinned on the resource based view theory (RBV) and the environmental dependency theory. The Environmental Dependency Theory (EDT) explains how all organizations are dependent of their environment. The theory perceives an organization as environment serving. This theory also views an organization and the environment as two elements that are always in constant interaction. On regular basis, organizations have to adjust internal activities in order to fit into the external environment. This clearly highlights the importance of the implementation stage in linking organizations to the environment for survival. The RBV is a theory based on the view that strategy of the firm is driven by internal resources (Montgomery, 1982). RBV is premised on the fact that organizations compete on the basis of capabilities and available resources (Bergen & Peteraf, 2003). More focus shifts to the firm's resources and capabilities as a key determinant of strategic implementation and choices.

The financial services sector is composed of deposit and non deposit taking financial institutions ([centralbank.go.ke](http://centralbank.go.ke)). The savings and credit cooperatives societies (Sacco) fall within the financial services sector. Sacco Societies Regulatory Authority (SASRA) is a government agency charged with regulating deposit taking. The establishment of the agency falls within the Government of Kenya (GOK) reform process in the financial sector. The Kenya Police Sacco (KPS) has been in existence for several decades. It operates under the Cooperative Societies Act CAP 490 of the laws of Kenya. The Sacco offers a range of credit, savings and mobile products (<https://policiesacco.com>). It operates within an external environment that is turbulent and always facing constant uncertainty. This calls for strategic management practices to be put into place in order to realign the Sacco into the operating environment.

### **1.1.1 Strategic Implementation**

Each and every organization has a vision. This is in terms of the kind of clients it serves and the type of role it plays for them. This gives the organization its purpose, mission and a clear action plan. The mission entails a set of statements that define the exchange relationship between stakeholders and the organization (Gregory & Dess, 2008). The mission gives a meaning to the served population as well as fulfills its role and satisfies customer needs. The mission is part of a deliberate planned process or at times emerges as a result of an incremental set of decisions. Most realized strategies are as a result of both emergent and purely deliberate strategies (Gerry, 2005). In order to bring a strategy into reality certain coordinated and well planned activities must be put into action. This is simply referred to as strategy implementation. Strategy implementation refers to the process through which organizations allocate resources in order to support chosen strategies (Walker and Ruekert, 2010).

Strategy implementation allows strategies and policies to be put into action through procedures, programs and budgets (Chelte, 2005). Strategic implementation also sums as the total activities and choices needed by organization in the execution of their strategic plan. The principal job of strategy implementation includes building an organization that has capabilities, set aside ample resources to critical strategic activities, developing a supportive strategic procedures and policies, initiate top practices and ways that ensure continuity in improvement. The implementation should also rely on lower and middle level managers to get work executed, install supportive systems that enable teams to successfully carry out strategic roles, attach rewards and other incentives to objective achievement while at the same time developing supportive values and strategically exerting leadership (Thompson & Strickland, 2001). Effective strategy implementation occurs when a firm's resources and activities

are tied to strategic priorities and set objectives, and when key success factors are identified and performance measures and reporting are aligned.

The greatest challenge faced by companies does not lie in formulation of strategies, but in execution of the formulated strategies (Mintzberg, 2000). The execution of the strategies is central to strategic management process and plays a key role in turning the strategy into a series of action and then results that ensure the vision, mission, strategy and strategic objectives of the company are successfully achieved as planned. The implementation process addresses the; who, where, when and how which play a significant role to the success of any strategy. For complete success five key components must never be overlooked. These include resources, people, systems, culture and structure (Thompson & Strickland, 2007). Implementation becomes vital as it bridges the activities of strategy formulation with strategy success. Poor implementation of a strategy result to a failure in strategy. Noble (1999) views strategy implementation as the process of communication, interpretation, adoption and enactment of a strategic plan.

### **1.1.2 The Sacco Subsector**

There has been a tremendous growth of the Sacco subsector of the economy in Kenya. Savings and credit cooperative societies popularly known by the acronym SACCOS have been on the rise. The cooperative movement in Kenya boasting over 13000 registered Saccos (Kenya Sacco Directory, 2011 Edition). The sector has two objectives of protecting member interests and building their confidence towards the sector as well as spurring the Kenyan economic agenda through mobilizing the country's savings ([www.sasra.go.ke](http://www.sasra.go.ke)). Saccos are charged with the mobilization of savings, and advancement of credit facilities. They form part and parcel of the

financial services sector. The subsector has seen more Saccos formed and registered by an association of like-minded individuals to financially meet the basic needs of both low and middle income members. These Saccos have the mandate to take, deposit and lend to its members. The subsector is divided into two segments; deposit accepting Saccos and non-deposit taking Saccos ([www.sasra.go.ke](http://www.sasra.go.ke)). The subsector is regulated by the SACCOs Societies Regulatory Authority (SASRA). The agency is charged with leveraging technology, deposit taking and harnessing Artificial Intelligence (AI) for seamless Sacco operations ([www.sasra.go.ke](http://www.sasra.go.ke)). It also licenses, supervise Saccos and levy contributors in line with the SACCOs Societies Act of 2008.

The Kenya Police Sacco as a firm is not isolated and immune to challenges resulting from a rapidly changing operating business environment. Entry of new competitors, tight regulations, unpredictable market conditions and high cost of operations are just some of the challenges experienced. They call for immediate effective strategic management practices and implementation of strategies that will enable Sacco's align themselves to the changing market conditions in order to achieve a competitive advantage. The alignment can only be achieved through strategy implementation. The execution of a strategy rather than its formulation has proven to be the most difficult part of the strategic management process (Mintzberg, 2000). This indeed has come with its fair share of challenges that has led to some well formulated strategies failing.

### **1.1.3 Kenya Police Sacco Limited**

The KPS is involved in offering a range of products including back office service activity (BOSA). It was formed and registered on 20<sup>th</sup> November 1972, under the Cooperative Societies Act CAP 490 of the laws of Kenya, the Sacco started with a

membership of 690 and over the years has grown to a current membership of 63,450 (<https://policesacco.com>). The Sacco has now a total of 8 branches spread across the country and an estimated asset base of 30 billion with a loan portfolio of 26 billion. Members are drawn from Utumishi Sacco Investment Limited, permanent employees of Ruaraka Housing Estate Limited, civil servants and the business community. Products offered to members include mobile, credit and savings products.

Kenya Police Sacco plays a critical role in advancing the interests of its members, thus helping improve their socio-economic lives. The turbulent business environment has impacted the company to a considerable new level. This has subjected the Sacco to increased uncertainty. It has also increased the need for strategic management and more importantly the need for an effective strategic implementation plan that would enable KPS align itself to a constantly changing business environment. In the year ended 2018, the society posted after tax profits of Kshs.1.6 billion and declared a dividend rate on members share capital of 17% (<https://policesacco.com>). Although the Sacco has enjoyed tremendous growth financially, it has also faced a considerable share of challenges and at the same time exposed to a range of opportunities. The society has not fully exploited opportunities presented by the business environment as well, has it been able to position itself to cope with challenges.

## **1.2 Research Problem**

Firms operate in dynamic and competitively changing environments, thus making the implementation of any strategy become an uphill task for any organization trying to make regular adjustments to these changes (Pearce & Robinson, 2005). Strategy implementation is concerned with actualizing a strategy through organizational design

and structure, resource mobilization and planning and strategic change management. Successful strategy implementation is likely to rely on the extent to which these various components are effectively brought together to provide, in themselves competences which other firms in the same industry find it hard to imitate (Johnson & Scholes, 1999). With the changing demands from the external and internal environment, the KPS must ensure that all formulated strategies are put into action and aligned to the business environment in order to achieve its objectives as stipulated by (Pearce and Robinson 1994).

Extensive studies have been done on the important component phase of strategy implementation. The area has attracted the attention of different researchers. Rajasekar (2014) conducted a study on the factors that affects strategy implementation in service industry on electricity distributing firms in Oman. He found that of all the factors, leadership played a central role in successful implementing strategy in service sector. Though the study was conducted on the area of strategy implementation, a geographical gap exists as the study was not done in the Kenyan context. The study leaves a research gap that this study tries to bridge. Jiang & Victoria (2018), from University of Derby, UK, did a study on the issues of strategy implementation in internationalization of higher education. The findings indicated that most issues of strategy implementation are rooted internally. Though the study is on strategy implementation, the focus was on higher education institutions in the UK. The study therefore did not concentrate on challenges of strategy implementation or on Saccos and was not within the Kenyan perspective as this study does.

In Kenya, Mureithi (2014) conducted a case study on the strategy implementation at National Bank of Kenya. He used an interview guide and analyzed his data qualitatively. His findings indicated that both external and internal factors influenced

the implementation of a strategy. He also established that factors such as structure, culture, organizational resources, employee motivation and leadership style influenced effective strategy implementation. Though the study was done within the Kenyan perspective it had a research gap as the context within which the National Bank of Kenya and the Kenya Police Sacco operate is quite different hence the need to carry out this study.

Damaris (2012) conducted a case study on strategy implementation in Balozi Sacco Society Limited. Her findings indicated that strategy implementation was linked to the formulated company strategies and factors such as, staff involvement, regular reviews on strategy, management commitment and preparation of the implementation plan. Though the study was on a savings and credit cooperative union, the focus was on the practices and factors influencing strategy implementation. The study therefore has a research gap as it did not narrow down on challenges of strategy implementation which this study attempts to address. Mbai (2014) conducted a study on strategy implementation at the Kenya Roads Board. He used personal interviews and content analysis to analyze the collected data that was qualitative. His findings demonstrated that Kenya Roads Board has a well crafted strategy that has adopted strategic management practices. It also established that strategic implementation appear to be a very tough stage of the strategic management process.

Whatever the process, each and every organization must end up with a strategy that links it to the environment in which it operates from (Ansoff & McDonnell, 1990). Although strategy implementation is viewed as a central and significant part of the strategic management process, there is no known study that has been done within the context of Kenya Police Sacco focusing on the challenges that it faces in implementing its strategies. Being one of the top and best managed and ranked



SACCO in Kenya, and with an asset base that cannot be underestimated, there was need to undertake a study that would seek to fill the gap that exists in the area of study by answering the question; what challenges are faced during strategy implementation at Kenya Police Sacco? And what are the measures undertaken to overcome strategy implementation challenges at Kenya Police Sacco?

### **1.3 Research Objectives**

- i. To determine the challenges faced by Kenya police Sacco during strategy implementation
- ii. To establish the measures that Kenya Police Sacco will take to overcome strategic implementation challenges.

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

This study will be substantial to different researchers, scholars and teachers who would wish to make further studies on the area of strategy implementation. Researchers can use this study as a source of reference and thus making it easy to further knowledge in the area of strategy implementation and the theories that support the study.

Policy makers and government agencies such as the regulatory body SASRA will benefit through the study by getting an insight into the challenges of strategy implementation within Saccos and how best to formulate policies to minimize them. To managers of Kenya Police Sacco, this study provides an opportunity expected to bridge the existing gap in strategy implementation by identifying the challenges of strategy implementation at the Sacco and how best to resolve them.

To investors in Sacco business, this study will put them in a better position of the anticipated challenges that will be faced when their business will be seeking to implement selected company strategies.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter presents critical and in-depth evaluation of previous studies done by different researchers and scholars in the field of strategic management and more especially on the area of strategy implementation. This chapter highlights the fundamental theories, the challenges of strategic implementation and the empirical review and research gaps on previous studies conducted.

### **2.2 Theoretical Foundation**

The process of strategy implementation is anchored on many theories. This study will be informed by two theories; Resource Based View theory and the Environmental Dependency Theory.

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

The Resource Based View theory is one of the concepts being applied by competitive firms in the modern changing business context. The concept is based on the view that the strategic actions of firms are driven by their internal resources (Montgomery 1982). The RBV is founded on the premise that firms compete on the basis of their resources and capabilities (Peteraf and Bergen, 2003). It views the firm as a collection of capabilities. It emphasizes that firm's resources and capabilities are a key determinant of the strategic implementation and choices to be employed by the firm. The focus is more on the internal environment of the firm rather than its external environment. It is the unique resources of the firm that provides the basis of strategy decisions made that enables the firm to fully take advantage of its core competences and tap onto the opportunities presented by the external environment (Chandler 1992).

RBV is also the main concept behind the formulation, implementation, and monitoring of strategies (Thompson et al., 2012). The idea of resources includes all assets, organizational processes, firm attributes, capabilities, information and knowledge which facilitate efficiency and effectiveness. The resources become the main source of developing a sustainable competitive advantage and the primary determinant of the firm's general performance. The implementation of any organizational strategy therefore will squarely lie on the amount of resources the firm possesses.

### **2.2.2 Environmental Dependency Theory**

This theory tries to explain that all organizations regardless of whether public or private, profit or non-profit are environment dependent and serving. This simply means that they depend on the environment for inputs and produce outputs (goods and services) for consumption by the environment in order to survive (Ansoff, 1990). It explains that a regular feedback exchange exists between organizations and the external environment. The concept reflects on the fact that all organization are unique because of the surrounding in which they operate in, and that they should be structured to embrace unique problems and opportunities presented. Strategies always link the organization to the environment of operation. The external environment entails events and conditions that shape the activities of the organization (Anderson & Paine, 1975).

Traditionally, organizations viewed the environment as a determinant factor and influence to which organizations adopted different structure, strategies and processes. The attitude being reflected in empirical research such as Negahandi and Reinmann (1973). Environmental attributes such as diversity, complexity,

turbulence and hostility were thought to determine the success of an organization (Khandwalla, 1977). For strategy implementation to fully achieve its purpose, the management must implement strategies in a way that aligns to the dynamics of the environment in which their organization is serving. Organizations should therefore implement strategies designed to fit into the existing environmental conditions.

### **2.3 Challenges of Strategy Implementation**

All too often, firms commit and dedicate substantial internal and external resources to the development of strategy process, but ultimately, fail to move the company in the vision identified or realize the benefits of their investment. Many companies have great strategies and great talented people but still have failed to register good performance, Robb, Todd and Turnbull, (2003). The root cause to this is always hidden and interlinked. Bryan & Hulme (2003) noted that executives find it difficult to improve on performance of their firms in modern competitive business environment and have come to realize most problems encountered are structural and not cyclical. In support of the argument, Hsieh and Yik (2005), reiterate that many companies find themselves stuck at the implementation stage. There are many reasons as to why strategy implementation will fail.

Michlistsch (2010) the visible absence of human factor is one of the major challenge and reason as to why strategic implementation fails. He postulates that companies ignore the people element when it comes to strategy. The top management mandated to formulate company strategies pays little attention or completely no attention to lower managers and employees. People are a critical component of strategy implementation as they play an essential role to its success. In order to successful implement the strategy, the company must give their lower managers and employee proper and maximum attention and involvement. This is because they are a core asset

of the firm (Flood et al, 2012).Raps (2005), human resources are the most valuable asset and the central success factor when it comes to strategy execution. The top management team therefore risks failure by ignoring this critical element in strategy implementation process and which can lead to resistance to change.

In order for employees to achieve the best in a workplace they must be motivated (John & Richard, 2011). The sense of achievement within a workplace environment normally comes with the pride and the feeling of accomplishment that usually accompany employees about their employers and their jobs. Leadership that notices a fall in the achievement of set objectives must take immediate measures to put into place strategies that boost morale of employees. Failing to motivate employees demoralizes them and this to a large extent affects the implementation of strategies. Motivation is twofold; financial and non financial. They include employee effort recognition, training, job design, increased salary, delegation and promotion (Burgelman, Grove & Meza, 2006). Recognition, effective motivation and timely feedback among employees boost their morale and adapt quickly to change, as to when it comes. Satisfied employees adapt to changes more easily compared to dissatisfied workers. Operationalization and institutionalization of strategy in any organization is based on motivated staff with a common vision and drive (Boyle, 2007)

Inadequate resources have affected the ability of firms to effectively implement strategies. This has posed a great challenge in strategy implementation process. Both financial and non-financial resources are critical to effective implementation of company strategies. Without enough resource allocation for a company, strategy implementation becomes a challenge in the modern business environment (Hrebiniak, 2006). Adequate budgetary allocation highlights management commitment to support

the implementation of company strategy. The availability of resources such as employee competencies, knowledge, skills and physical resources together with time are an important part of strategy implementation. However, the allocation of resources to different divisions and departments is also very critical (Thompson, Gamble and Strickland, 2012).

Top leadership within a company is key and provide a long-term road map that guides and enables it to navigate the turbulence of the modern business environment, and to clarify strategic intent that builds the company and shape their values and beliefs to fit with opportunities and challenges encountered. The lack of strategic leadership and commitment is one of the greatest challenges faced by organizations, and a major reason why companies register poor performance. Strategic leadership is one of the key drivers to effective strategy implementation (Leslie & Lloyd, 2009). For effective strategy execution, the top leadership must regularly monitor progress, anticipate challenges and take corrective measures in order to make sure that the organization stays aligned to the changing market conditions and competitive forces (Thompson et al, 2006). Leaders must pay full attention to the implementation phase and also realize that implementation requires some balancing as top leadership must closely work with different stakeholders within the firm in order to develop unity and support the firm's strategy. Strategy implementation frequently fails due to ineffective leadership evidenced by TMT unable or unwilling to carry out difficult decisions agreed upon in the formulated plan.

Poor communication is one of the key contributors of strategy implementation failures and the biggest challenge faced by many organizations. Most communication is often distorted from the source to recipient. An effective communication plan is also crucial in strategy execution. The plan must originate from the top management. Honesty and

transparent communication is needed for effective implementation of strategy while the absence of communication has led to uncertainty and disconnected teams. Pearce & Robinson (2011), the way we interpret a message contributes to its enhancement, thus the need to build a strong culture that enhances information streaming. This requires that the top managers stay aware of individual's attitudes, behaviors, demands, beliefs and arguments so as to be able to develop a strong communication plan that is heavily engraved in the company's strategic plan (Burnes, 2004).

Unsupportive corporate culture is a challenge to organizational strategy implementation. Organizational culture refers to a set of beliefs, attitudes, values and actions exhibited by members of the organization. It also refers to how people within the organization think and act (Boseman, 1989). The culture of an organization can be a major strength when it is aligned to organizational strategy. Many organizations experience a lot of challenges during strategy implementation because they forget to align the company to the strategy under implementation, thus making members become uncomfortable, rigid and reluctant to new strategic changes.

#### **2.4 Empirical Review and Knowledge Gaps**

Strategy implementation has become more important than ever as it enables firms to stay focused and put into place appropriate actions that helps them achieve set objectives (Thompson et al, 2007). In today's constantly changing global business environment, a lot of emphasis has recently been placed on the strategy implementation stage. The success or failure of modern organizations depends on how well organizations implement their strategies. A lot of managers feel that successful strategy implementation is more difficult and poses more challenges than the formulation and planning of strategies (Hrebiniak, 2013). A properly implemented strategy not only does it improve on the firms performance but it also enables it



develop a competitive advantage over its rivals (Hrebiniak, 2013). With the need to succeed in the competitive business world a lot of organizations have seen the need to put more emphasis on the strategy implementation stage in order to develop a competitive advantage. Several studies both globally and locally have been conducted with regard to the strategic implementation stage.

Jiang & Victoria (2018), from University of Derby, UK, conducted a study on the issues of strategy implementation in internationalization of higher education. They concluded that most issues of strategy implementation are rooted internally. Though the study is on strategy implementation, the focus on higher education institutions in the UK leaves little to be borrowed from the study with regard to KPS. The study is also not done within the Kenyan context. The study also failed to highlight the challenges of strategy implementation and there is a complete disconnect between issues on higher education in the UK and the challenges at Kenya Police Sacco.

Strategy implementation practices in Balozi Sacco Society were examined by Damaris (2012). Her objective was to determine the strategy implementation practices and the factors that influence it. She used interviews and content analysis to analyze her data. Her findings revealed a positive relationship between strategy implementation practices at the Sacco and management commitment, strategy formulation, staff involvement, regular strategy reviews, preparation of implementation plan and identification of risk factors. The study failed to look at the challenges that are imminent from strategy implementation and furthermore the context within which Balozi Sacco operates may be different from that of the KPS. The time horizon within which the study was conducted also raises an issue as the business environment is rapidly changing hence the need for this study.

Rajasekar (2014) studied the factors affecting strategy implementation in service industry on electricity distribution companies in Oman. He concluded that of all the factors, leadership played a central role in successful implementing strategy in service sector. Though the study was conducted on the area of strategy implementation, a geographical gap exists as the study was conducted in Oman. The Operating environment could be quite different from that of Kenya. Furthermore the study focused on electricity distribution which is a whole different sector from the one this study is anchored on and therefore no relationship can be drawn. The study in Oman's electricity distribution companies is of little use to KPS operations.

Nzomo (2013) conducted a study on the implementation of strategies at the United States for International Development in Kenya (USAID- Kenya). His objective was to determine the implementation of strategies at USAID-Kenya. He scheduled interviews and used content analysis to analyze his collected data. His findings suggested that the implementation of strategies at the organization were a combination of major factors that are related to formulation of strategies. The focus on this study was more on factors rather than the challenges facing the implementation of strategies and the environmental setup in which USAID-Kenya operates is totally different to that of the KPS and therefore little can be borrowed from his study. Warugongo (2014) did a study on strategy implementation at National Bank of Kenya. He found out that both internal and external factors influenced the implementation of strategies in the bank. He also established that factors such as structure, culture, organizational resources, employee motivation and leadership style influenced effective strategy implementation. Though the study was done within the Kenyan perspective, it had a gap as the context and interests within which National Bank of Kenya and the Kenya Police Sacco operate is entirely different.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter explored the methodology that was used in data collection in order to achieve the research objectives. It entailed research design, data collection methods and the data analysis methods that were used for this study.

### **3.2 Research Design**

The study adopted a case study research design since the main focus of study was on a single unit – The Kenya Police Sacco. The data collected described both primary and secondary data. Primary data was obtained from senior managers of Kenya Police Sacco. Mugenda and Mugenda (2003), referred a case study to an in-depth examination into an institution, individual or a phenomenon. Young (1960) defined a case study as the strongest form of qualitative analysis that entailed careful and complete observation of a social unit regardless of the type of unit under study.

### **3.3 Data Collection**

The instrument of data collection used was an interview guide. An interview guide helped to collect primary data and easily interpret results of the study. It also helped to structure open ended questions and enabled the collection of in-depth qualitative data. In order to enrich and compare data collected through primary sources, the researcher obtained secondary data from various sources including Sacco journals, library materials and strategy implementation practice reports from the Sacco. The researcher made appointments with respective interviewees' i.e. top departmental managers within the Kenya Police Sacco based at the headquarters in Nairobi. In total the researcher interviewed a total of four (4) respondents all based at the headquarter branch in Nairobi. The respondents drawn included the following; General Manager

Finance and Banking, General Manager Operations and Strategy, General Manager ICT, Marketing and Customer Care Manager, and Risk and Compliance Officer. The researcher conducted face to face interviews with respondents to determine the various challenges experienced during strategy implementation and the measures that had been undertaken by the company to overcome the challenges.

### **3.4 Data Analysis**

Collected data was qualitative as it was obtained through an interview guide. In order to analyze the data collected from respondents, content analysis was used. Content analysis helped capture in depth opinions of interviewees, thus enabling accurate decision making of the problem under study. Content analysis is a systematic qualitative description of the composition of materials and objects of a study (Mugenda & Mugenda, 2003). Data obtained was compared to theoretical foundations and documentation that was cited in the literature review.

The data obtained from different managers within the Sacco was compared in order to gain in-depth understanding and revelation on issues under investigation. Content analysis was used to analyze the respondent's opinion about the challenges of strategy implementation at Kenya Police Sacco.

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS**

### **4.1 Introduction**

This chapter presents analysis of data in line with the research objective of the study which was to determine the challenges of strategy implementation at the Kenya Police Sacco and to identify measures that KPS adopted to overcome the challenges. The findings of the study discussed the results obtained from the study. The researcher conducted a one on one interview with four (4) out of the possible five interviewees of the company initially targeted. Those interviewed included the top managers of KPS including; GM operations and strategy GM Banking and finance, Risk and compliance officer and the marketing and customer care manager of the company. Qualitative data was collected from the four senior managers of the company through the use of an interview guide. Content analysis was used to analyze the data obtained.

The response derived from the managers was then compared and important themes arising from the discussion were obtained. From the response obtained it was noted that similarity aspects were high across all the four managers. The findings highlight the strategy challenges faced by KPS and the same time the measures used to overcome them at Kenya Police Sacco. The researcher wanted at some point to establish the duration for which the respondents have been working with the SACCO. From the findings obtained, majority had been at the firm for more than five (5) years and above and some had worked for the company for more than 20 years rising from junior employees of the company to sit at the helm of the SACCO's top management. Based on these findings, assumptions can be drawn that the experience and understanding of the top leadership can be best related to their objectivity and how well informed they are about the SACCO. The interview was aimed at getting to

establish the level of education of the respondents. The researcher established that all the respondents had university degrees and had master degrees. Majority of the respondents preferred the Master of Business Administration (MBA). The interviewees were expected to answer questions provided by the researcher in the interviewer guide.

#### **4.2 Challenges of Strategy Implementation**

The responses to the questions under this category were similar across the four managers interviewed by the researcher. On the question of how well the KPS board is dealing with the challenge of strategy implementation at the company, the managers indicated that dealing with the challenges of strategy implementation begins right at the inception of a strategy. According to the managers, all key stakeholders become part and parcel of the company strategy formulation process. Key among the stakeholders includes the Board of Directors, Chief Executive Officer (CEO), the three general managers of operations, banking and finance and ICT. Others include delegates from different branches, representing members and staff.

In order to proactively maintain an approach that addresses the challenges of strategy implementation, the board and key stakeholders ensure that the company strategic plan is fully enshrined and well taken care of in each year financial budget. This ensures there is adequate allocation and prudent distribution of both financial and non-financial company resources thus ensuring efficiency and effectiveness in company operations. According to the managers the involvement of key stakeholders is a crucial component of enabling the company reduce the resistance to change brought in by new strategies to be put in place.

On the question of how well KPS has planned on the issues of strategy implementation, the management highlights that KPS has a well developed plan to address issues arising from the implementation of Sacco strategies. In order to keep track of activities and progress of the company as envisioned in the company Strategic Plan 2015-2019. The Sacco considers undertaking regular reviews on company strategies as a crucial part of the strategy implementation process. The top management conducts quarterly and annually reviews where every team leaders mandated to oversee the implementation of each pillar are able to provide a feedback on the success and difficulties experienced along the way and review the progress made in the implementation of respective strategies. This has enabled the organization track its progress in terms of milestones achieved on different areas as stipulated on the six pillars and the areas that demand immediate improvement in order for the company to stay on track to the set company goals. Each of the pillars on the plan is headed and overseen by a different team leader with each pillar having a distinct but clear set of objectives and activities. The respondents indicated also that supervisory committees for each of the six pillars exists which undertakes some regular audits on the implementation of strategies. Departmental and corporate performance is measured against established targets on performance. Team leaders also get a chance to explain some of the challenges they experienced and the shortfalls in the implementation of strategies in line with the company strategic pillars.

On a separate question of commitment by management on strategy implementation as a challenge, the top management is fully aware of wider and key important role of its strategic plan to the success of the Sacco. The management also fully understands that its commitment towards the success of its strategic plan implementation is paramount. It is for the reason that managers indicated the reason for the formation of the position

of the general manager (GM) Operation and Strategy within the firm, a position the manager is mandated to oversee all company operation and strategy matters. With this position, the managers of the Sacco feel that the board is fully committed and exhibit the highest level of seriousness on the important component of strategic implementation on which much of the success of the company can be with no doubt be pegged on. Another display of commitment by the board of the company is observed on how well resources are availed to ensure the implementation of different strategies is not derailed. All resources are set aside and fully catered for in the company's annually financial budget set aside for the implementation of the company's strategic plan. With current strategic plan 2015-19 coming to an end, the Sacco top management is already on the process of reviewing and validating the new Strategic Plan 2020-24.

On the question of how communication affects the process of strategy implementation at KPS, the managers unanimously agree that though communication is a challenge, regular interactions through meetings and discussions within the Sacco ensure effective communication. For example annually delegates meetings is a sure way of ensuring Sacco members stay ahead in terms of company updates and information. According to managers, between the month of January and February of each year, three trainings are usually conducted to ensure members are updated and equipped with new skills relevant to the market served and that ensure capacity building on areas around the each of the pillar anchored within the strategic plan platform. Though communication is a challenge for many companies, this strategy has helped the Sacco reduce the challenge of communication in the entire process of strategy implementation. Communication is also then cascaded down to all the seven (7) branches of the Sacco spread across the country.



On the question of how culture of Kenya Police Sacco is related to strategy implementation at the Sacco, the respondents indicated and reiterated that respect and team work is part and parcel of the key values enhanced within the company belief systems. Such values have helped build on a Sacco that is respected and endowed within and outside the country to become one of the market leaders in the Sacco business. The respondents add that KPS has been able to create a surrounding that has helped connect employees of the Sacco to the mission of the organization thus making them feel at home. Managers also indicated that for a strategy to be successfully achieved, the element of isolation needs to be eliminated. The management understands value of sharing information and has maintained a healthy and trustworthy relationship among managers and staff without the fear of managers being sabotaged by their junior staff. For this reason the value of trust is fully inculcated into the belief system of the Sacco thus ensuring easy access to company critical information by its staff and ensuring a transparent platform is maintained. The respondents also indicated that managers of the Sacco remain accountable to their commitment and time and again are required to provide explanation during meetings as to what is happening within their divisions and why.

Resources are one of the biggest constraints pulling many organizations behind thus derailing them from effectively implementing company strategies. Many organizations experience inadequate resources or unfair distribution of company resources in implementing important company projects. Although seen as really challenge for companies, the respondents indicated that the company allocates enough resources hence ensuring the effective implementation of company activities. The managers reiterate that adequate resources are set aside to ensure efficient and effective implementation of the company's strategic plan. The management

understands that for the company to build a sustainable competitive advantage enough resources must be set aside. Different strategies require different levels of resource allocation something that the management of KPS is fully familiar and has drawn its full attention on to address the challenge. The resources according to managers within the company include assets, competencies and capabilities enough to give the Sacco a competitive edge.

In response to the relationship between employees formulating and those implementing strategies at the Sacco, respondents agree that the people engaged in formulating the company strategy are also involved when it comes to its implementation. For example, the General Manager – Operations and strategy is involved in both formulation and the implementation of the company strategy thus highlighting a mutual process involving key company stakeholders. According to the managers having a team involved in both formulation and implementation is crucial in reducing the challenge faced in implementing strategies as these people are well positioned to understand the details of the strategies in depth.

On the question of whether there is an existing relationship between organizational strategies of the company and its leadership, the respondents see a close link between the two. They stated that the role of the GM – Operations and Strategy is a clear show of how the top leadership cannot be delinked from the company strategy. From the view of the management the two aspects are interlinked and success of strategies has for a very long time been linked to quarterly and annually reviews of the company strategic plan by the Chief Executive Officer and the top management to assess the milestones achieved as well as make appropriate adjustment on areas that demand improvement. According to the respondents, the performance and success of Kenya Police Sacco is greatly attributed to the link between the two variables. This grows to

become a challenge in occasions where there is a disconnection between the leadership of a company and its strategy. According to the managers the quality of leadership and strategy is widely viewed as instrumental in maintaining and improving the competitive performance. The respondents add that formulation and deployment of strategic actions by effective leaders has resulted in strategic competitiveness and above average results achieved by the Sacco.

On the challenge arising from coordination of the SACCO activities, the respondents indicated that, the management is able to coordinate and integrate activities within the six pillars contained in the SACCO Strategic Plan 2015-2019 in order to ensure the SACCO achieves its long-term strategic goals. The respondents indicated that resources are efficiently mobilized to succeed in achieving the set goals. Despite being a challenge, the management has made efforts to address and seal the gaps arising from coordination of company activities. Conflicts between employees and departments are an example that is at times experienced while coordinating teams to work as one big team. Team leaders mandated to oversee the different pillars integrates their efforts towards a common goal.

In response to the question of other challenges that pose challenges to the implementation of strategies at KPS, the management indicated that government policies and directives have introduced a new set of challenges that has changed the Sacco business environment. The respondents indicated that the policies have forced the Sacco to make adjustment from time to time to fit into new laws. According to the management, the reforms taking place within the Kenya Police where a recent merger between Kenya Police and the Administration Police Unit (AP) and the Anti-Stock Theft Unit (ASTU) left a portion of Sacco members in dilemma as the market focus of Kenya Police Sacco has always been on drawing members from the Kenya Police.

The respondents indicated that such merger has affected the company's client base as well as affecting the implementation of strategies within the Sacco thus a challenge to the management. The management also indicated that new government directive stopping the Sacco from computing loans using the newly introduced allowances and other previous allowances has impacted on the implementation of company strategy thus posing a new challenge. The respondents indicated that the Sacco has less control over government regulations and the only way to deal with technological challenges is to make regular adjustments to stay relevant in the market. The respondents unanimously and separately indicated that of all the challenges that the Sacco is posed to face on strategy implementation, government regulation poses the biggest of all challenges.

The management also indicated that technological advancement is another major concern for the firm, the pace at which the technological environment is changing leaves great moments to worry, more so at a time the Sacco is looking forward to the installation of a new technological system to streamline the operations of the Sacco, replacing the old system that is said to have been in place for close to a decade. The respondents indicated that the new customized technological system is estimated to cost Ksh. 600 million and is expected to swing into full operation by early 2020 with the goal to streamline ERP (Enterprise Resource Planning), Mobile banking and investment system. As an enabler, IT has played a critical role in the facilitating the process of strategy implementation. Many of the company strategies driven within the six key pillars have been driven by Information technology (IT). With the rapidly changes taking place in the technological environment some of the IT systems that support the implementation of the SACCO strategic plan are at risk of being pushed out of use. For example, the respondents indicated that with the rapidly changing

technological environment the new costly system may be rendered obsolete before or after its launch. Though the new system is also to help protect the organization against IT risks the management indicated that the escalating use of technology still pose a challenge to the Sacco moving forward. The management also indicated that though a lot has been done by the Sacco to improve on the company IT system continuous IT audit risk assessments need to be done to protect against hackers and other related technological crimes.

#### **4.3 Measures to overcoming strategic implementation challenges**

In response to questions that fall under this section, the answers were similar across all the respondents interviewed. On the question of the kind of tools and framework being used by Sacco to overcome strategic implementation challenges, the management indicated a number of tools and the framework being used to overcome them. The respondents highlighted a number of tools being used included;

The respondents indicated the presence of the balanced scorecard as a tool that has been useful and beneficial to the Sacco since early 2018. As a strategic management tool, the managers reiterated that the tool has helped the Sacco keep track of implementation process of its strategic plan. The tool has also been helpful in monitoring the results of the activities taking place within the Sacco. With the tool in place, the management has been able to communicate and share information to its stakeholders on what is being accomplished. The tool has helped the company reduce the challenges of communication within the company also enable it prioritize on projects and its services to clients. The management indicated that the balanced scorecard has played a critical role in measuring and monitoring of the SACCO progress towards its strategic targets. With Balanced Scorecard, the Sacco has been able to have a clear view of its successes and shortfalls in strategy implementation

process through financials, customer perspective, internal processes enabling efficiency and quality in relation to company products and services, and organizational capacity in relation to the Sacco's human capital, culture and other capacities key to its breakthrough performance.

According to the management, quarterly and annually strategic reviews are conducted on the strategic plan. With the business environment rapidly changing, regular strategic review meetings have been conducted to review on the different aspects of the company strategic plan. This has ensured realignments to strategic goals and objectives are maintained. This has enabled the Sacco make appropriate adjustment relevant to the changes taking place within its operating environment. The respondents indicated that the reviews have been crucial in countering challenges faced in implementing the company strategies.

In response to the question of tools used, the management indicated that the presence of team leaders heading different SACCO pillars anchored within the company strategic plan has been central to reducing strategy implementation challenges. They oversee the success made within the pillars. The team leader provides implementation progress reports to the CEO and the board and senior management during once every three month. The respondents also noted that team leaders had the sole responsibility of providing direction and guidance to team members with regard to the achievement of company goals and objectives and the activities set within their respective pillars. They also provide a leadership role to members within team mandated to deliver on pillars.

Respondents also indicated the presence of Strategic Delivery Board. Its membership drawn from key members responsible of the six key pillars anchored on the Strategic

Plan 2015-2019, among them the team leaders forming part of the Kenya Police Sacco delivery team. The board is responsible of ensuring the Sacco works within specific timelines. According to the management, the board oversees the implementation of the company five year Strategic Plan 2015-2019 and was reviewing on a new five year Strategic Plan 2020-2023. It ensures that strategies, company objectives, key activities and those responsible of the various activities to be undertaken by different departments are aligned meanwhile ensuring adequate resources deployed. The respondents add that, the board is responsible of each of the pillars in which each pillar is headed by a team leader to enhance the achievement of key strategic objective and goals. The board is credited of proactively dealing with strategic implementation challenges and was praised to have been a pillar behind the current Sacco magnificent performance. The respondents also indicated that the board made it easy to track on the progress made on the strategic plan implementation process.

Response from the managers indicated that the success of the organization has been hugely credited and attributed to effective leadership that ever is committed to ensure the company achieves its mission. The firm's senior management ensures an effective strategy formulation process take place and is also in charge of ensuring adequate allocation of resources and prioritizing projects based on value contribution at the same time enabling the smooth implementation of strategy in place. According to the management, the top leadership is fully committed to ensure all shortfalls experienced in every stage of the implementation process. This has enabled the top management proactively deal with challenges that would hinder the successful implementation of the Sacco strategies. The leadership also ensures that proper follow up and accountability in execution of company strategy takes place. The respondents believe

that accountability is a key component of success in implementation of any strategy. The leadership also ensures adequate information is available to the staff and members to keep a smooth and efficient strategy implementation process running. A barrier to effective communication can lead to resistance to change which can pose one of the greatest challenges in implementing company strategies. Managers indicated that much success has been achieved as a result of a leadership that maintains transparency in company issues and demonstrating value to staff in any changes the company makes. With the company outstanding leadership the employees are always motivated to push for good performance and meeting Sacco targets.

Still in response to the question of tools used to overcoming strategy implementation the respondents noted that the inception of any strategy is always a precursor to challenges in future. To reduce the challenge of resistance due to changes brought about by a new strategy, the respondents indicated that stakeholder involvement is key, among them people who may be affected by the decisions and activities of a new strategy and who can influence the implementation of such decisions are always involved during formulation of company strategies. Key among them in the company included the chairman, board of directors, top delegates from the seven branches across the country. The respondents indicated that all the staff in the SACCO was involved in the entire process. During the formulation stage, departmental heads gather suggestions from the various members in their team which are presented to the KPS Strategic Delivery Board. The SACCO also holds meetings with the staff to obtain their contribution on the strategy prior to the approval. The respondents add that the practice also reduces the challenge of resistance to change and brings ease of implementation as the implementers who are mostly the staff can relate with the strategy.



In response to what their personal opinion and suggestion were the respondents could offer to reduce the challenges of strategy implementation at KPS, the management gave out numerous suggestions that they felt could add a positive impact to the Sacco. The management indicated that development of a good relationship with IPPD, the employer of member office that coordinate with KPS in processing of member pay slips and salaries. This would help raise the Sacco target on members deposit from current 10 percent to 12 percent of member basic pay. The respondents also indicated the need to empower delegates from across branches so that they can also cascade down as much information about the Sacco to members as possible. The respondents emphasized on the importance of follow ups and accountability when it comes to the process of strategy implementation. This will enable the Strategic Delivery Board meet its target within the scheduled timelines as well as help identify challenges early in advance. The management indicated the diversity at KPS needs to be inculcated to bring fresh ideas, creativity as well as improve on productivity and other company aspects.

In response to the question of how well KPS is doing to ensure staff remain committed to strategy implementation; the management indicated that the top leadership is committed to ensure it does provide a conducive working environment that is full of motivation. Employees are awarded based on performance and voted by managers. The top management also participates by nominating one employee whom they consider best performing and attach reasons of the choice of the employee to be awarded. The respondents indicated that the winner of KPS employee of the year is normally eligible for an international trip and event within and outside the continent.

#### **4.4 Discussion of Research Findings**

The discussion highlights in-depth findings based on the research questions and objectives of the study. The discussion further offers detailed interpretation of the findings by comparing them with the work of past scholars and the theories on which the study was pegged on. The study was discussed on the basis of the major findings. Contrary to what many SACCOs experience in the business environment, where numerous challenges in the process of implementing company strategies are encountered, the findings at the KPS revealed a different story where very minimal challenges towards execution of company strategies were faced. This could be a reason enough that could be attributed to huge success that had been achieved at the SACCO, including being voted the best managed Sacco in the country in 2019 and in addition a reason behind the huge membership and an asset base of KES 30 billion that the Sacco enjoyed.

The study established that the culture of team work and team spirit is central and can be attributed to the success so far achieved by the Sacco. The finding depicts a culture strategy fit at Kenya Police Sacco. The belief of teamwork and team spirit blended with the value of trust had helped built a cohesive momentum among its employees as well as cultivating an environment of hard work and transparency in handling issues without the fear of intimidation or victimization from the top management. This has also enabled an atmosphere of togetherness as teams push hard towards a common vision of the SACCO as well as achieve its long term objectives. The findings also revealed that KPS had become a benchmark of many other SACCO, as they try to understand the core values within which the SACCO is anchored. With the achievement of a culture-strategy fit the organization has been able to achieve much success in the implementation of company strategies. The findings of this study seem

to be supported by those of Boseman (1989), who stipulated that the culture of an organization can be a major strength when it is aligned to its strategy.

The findings of the study also established a strategic leadership that exist within the SACCO and that had highly contributed positively to the effective implementation of company strategies. With the GM –Operations and Strategy together with the Strategic Delivery Board coordinating activities of team leaders heading different strategic pillars thus ensuring the SACCO aligns its strategic plan to the changes taking place within the SACCO industry. Strategic leadership has been instrumental in ensuring that goals and objectives set within the company’s strategic plan are achieved within the specific timeframes stipulated within the plan. The findings also indicated a strategic leadership that is highly committed and concerned about the future of the company. The leadership conducts strategic quarterly and annually reviews to stay in track with the company objectives. This has enabled the SACCO to track its progress and milestones achieved as well as knowing the shortfalls that emerge during implementation of SACCO strategies. The findings to this study are in line with those of Damaris (2012) who established certain factors among them employee involvement, regular reviews and strategic leadership and commitment as key to strategy implementation.

The research findings also indicated the management commitment towards the realization of the company strategic direction. The findings indicated ample resource allocation for departments depending on their needs. Resource allocation at KPS forms part of the company financial budget. With the company’s approach towards ensuring adequate allocation and distribution of resources, the SACCO had positioned itself to proactively deal with strategy implementation challenges. Enough resource allocation has increased the Sacco’s capability to deal with different challenges as

well as building a sustainable competitive advantage that has enabled it stand out among other SACCOs. This findings stand to be in line with those of Peterraf & Bergen (2003) who indicated that firms best compete on the basis of their resources and capabilities true to what the RBV is anchored on something that KPS had taken full advantage of the adequately available resources to facilitate effective implementation of company strategies. The findings are also in line with the work of Montgomery (1982) who established that strategic actions of firms are driven by their internal resources.

The research findings stipulated the involvement of key people as central to formulation and implementation of the company strategy. With stakeholder involvement, the company has won the trust of key people from the top management to the bottom. The board, top managers, branch managers and selected are selected to give opinions and views with regard to formulation and implementation of the company strategies. With this initiative the people factor challenge of resisting change that emerge as a result of new company strategies had been reasonably and considerably been reduced thus ensuring smooth implementation of the company strategic plan. These findings can also be observed to be in line with those of Damaris (2012) who established stakeholder involvement as key factor to strategy implementation.

## **CHAPTER FIVE: SUMMARY, CONCLUSION & RECOMMENDATION**

### **5.1 Introduction**

This chapter presents a summary of the study findings. It described findings based on the objectives of the study. The conclusions discussed were based on the theories in literature review of previous research work done globally, regionally and locally. The recommendations were anchored on the findings and the context within which the SACCO operates in. This was in a bid to add some new set of knowledge in the subject of management, policy development and research in general.

The study had its limitation that was described from different angles. Eventually, insights, views and suggestions on further studies were anchored on existing theories and findings of the study.

### **5.2 Summary of Findings**

This research sought to determine the challenges faced by Kenya Police Sacco during strategy implementation as well as to establish the measures that KPS had put in place to overcome the challenges during the implementation of SACCO strategies. The implementation component within the strategic management process is the most crucial and important phase in any organization that seeks to achieve long-term success as well as out compete rivals in order to stay relevant within the external business environment. In order to achieve meaningful success both large and small organization must adjust regularly in order to find a strategic fit into the ever changing business operational environment.

It was established that effective strategic leadership, people involvement, adequate resource allocation, motivated employees, strategic reviews, cascaded top down

communication approach all anchored on an organization with strong belief and value system could help reduce the challenges of company strategy implementation. Combinations of factors were revealed to be central to the success of the company. With adequate resource allocation embedded within the company's financial budget to various departments, it was established that the organization positioned itself as one of the best SACCOs in the country. According to findings adequate resources had enabled the company built a sustainable competitive advantage, a key determinant to the firm's general performance. It was also established that ample resource base gave the Sacco a room to tap onto different opportunities presented by the external environment as well as giving it a wide range of options when it came to the implementation of various company strategies.

The study also established that a number of changes taking place within the external environment of Kenya Police Sacco had shaped the activities of the Sacco in different ways. Common of such changes that also stood as one of the biggest challenge to strategy implementation were government policies and regulations including the pending proposed merger of different various regulators e.g. Insurance Regulatory Authority, Capital Markets Authority, Financial regulators , SASRA and the Retirement Benefits Authority. The merger is expected to shape the Sacco industry in different dimensions something that the KPS was afraid would interfere with its strategic and operational direction. With such changes taking place, the SACCO would be required to adjust itself to fit into a constantly changing business environment. A government directive stopping Sacco's from using allowances in computing member loans was to pose a new challenge to the implementation of company strategies.

The study established that the technological environment had a wider influence on the day to day operations of the firm, therefore posing the greatest challenge to strategy implementation at KPS. The rapid changing face of technology had left the Sacco to worry about its old systems that seem to be rendered obsolete with time. With the changing technological conditions within the external environment, the Sacco had opted to launch a new system to replace the old system that had been running for close to a decade in order to streamline ERP solution systems, Mobile banking and investment systems. With the integration of state of the art ICT systems, efficiency in implementation of company strategies was to be enhanced.

The study also established the use of numerous strategic tools to overcome challenges. The Balanced Scorecard is one key tool that had been used by the SACCO for close to three years. The tool had been instrumental in tracking the progress made and the shortfalls. With clear targets, top leadership had been able to execute a number of activities in line with the company's strategic plan. Strategic reviews are conducted to ensure adjustments are made to fit into the changing external business environment. Submission of quarterly report had become a key means that had helped the SACCO keep track of its progress thus identify and tackle challenges to strategy implementation in advance.

### **5.3 Conclusion**

It was concluded that contrary to many of the challenges faced by organization in the process of executing company strategies, KPS faced very minimal challenges during the implementation phase. The Sacco had taken strategy implementation to a whole new level. The major challenges experienced at the implementation phases were related to unexpected changes brought in by technology and government regulations. The introduction of new government directives required some changes within the

context in which KPS operate in. With constant changes happening in the external environment, KPS had to adjust and realign its activities regularly in order to find a strategic fit with the external environment. Pending proposed mergers among different regulators, government directive to stop processing of loans using allowances on pay slips and directives of massive registration of public servants posed new set of challenges in strategy implementation. Failure by the SACCO to comply with changing government regulations and policies might subject the organization to hefty penalties or risk even closure of the firm. With new ICT systems shaping the technological environment, the study established the need to adapt into new technological advancements in order to remain relevant in the fast changing ICT world. Adapting new technology ensured that systems were streamlined to deliver efficient services to Sacco members, which in turn facilitated easy implementation of strategies. Any new development within the technological environment posed challenges to existing ICT systems posed new sets of challenges in the implementation of company strategy. The failure to realign the SACCO ICT systems to the new technological development in its operating environment might render the firm irrelevant and competitively disadvantaged.

The findings matched those of Pope and Brown (2011), who reiterated that it was essential for organization to have advisory team. KPS on the flipside had a Strategic Delivery Board mandated to oversee the work of team leaders who supervised and coordinated activities within the six pillars anchored in the KPS Strategic Plan 2015-2019. The delivery team must have all the required necessary skills, put in place the necessary tools and experience to ensure smooth execution of company strategies as well as be in a position to overcome challenges that might hinder the strategy implementation process in order to ensure that long-term company goals and



objectives are reached. Above all and central to the success of strategy implementation was effective strategic leadership that played a critical role in ensuring effective communication, a motivated employee environment and all other aspects key to smooth implementation of the strategies were in place.

#### **5.4 Recommendations**

The research established that Kenya Police Sacco did not put much emphasis and effort on or they were less employee trainings conducted to enable them effectively implement company strategies. This study recommends accountability of managers in the area of organizational growth and development. Regular trainings need to be conducted to increase knowledge, efficiency, technical abilities in staff and add value that would equip and enable them effectively discharge and implement Sacco strategies. With increased training, employees would be better placed to develop special skill sets in the area of strategy implementation this would enable the firm quickly adapt and operate in changing business environment.

Arising from the findings of this study and the issues that faced the SACCO, the researcher recommends that the Sacco maintain and remains flexible to changes happening in the external environment. This would enable the Sacco easily adjust and realign regularly to both technological and political (government) changes that might negatively implicate the strategy implementation process hence helping the Sacco build remain competitively relevant in the business environment. From time to time the Sacco should conduct regular reviews on the company strategic plan as well as scan the external environment to identify new government policies that might affect the implementation of company strategies. Aligning of the company to changing government regulations that impacts the Sacco industry would enable the KPS effectively and efficiently execute strategies with little interference from government

industry regulators. In the case of technological challenges, the study recommends that if the Sacco is to remain relevant and not rendered obsolete, it must stay updated on new technological developments that would positively impact on the industry and KPS in general. The study therefore recommends that KPS adopts state of the art technological infrastructure, equipment and skill sets in order to stay relevant to the changing technological environment.

### **5.5 Limitation of the Study**

After analyzing the research findings, the following limitations could be drawn; the study adopted a case study research design and for this reason the results cannot be generalized to other Saccos in Kenya. This is because the researcher focused on obtaining information from a single unit organization i.e. the Kenya Police Sacco as opposed to collecting information from other Saccos. Apart from that, the research depended on information from the interviewees in which their responses were based on questions that we had little or no control over. Despite the assurance of confidentiality and use of data for academic reasons, collecting information became one of the major challenges as the respondents became hesitant and unwilling to divulge sensitive information with regard to the company due to the sensitivity nature of the information.

Time constraint was a limitation of the study. The researcher did not have enough time to undertake the study and to allow for adequate data collection. The same was true to respondents who complained about busy schedules and limited time and the amount of data collected therefore might possibly fail to provide a true representative position of the Sacco. At the same time the views, opinions and insights with regard to strategy implementation challenges and the measures to be in place to overcome them from the senior managers as respondents might not be supported in equal

measure by lower managers and junior staff of the Sacco with regard to strategy implementation.

Methodologically, the study used a case study and content analysis later used to analyze the data collected. The analyzed data was qualitative in nature instead of quantitative which would have provided results that could be more accurate and specific.

### **5.6 Suggestions for Further Research**

The study determined the challenges of strategy implementation at KPS and the measures put in place to overcome them. Further research work should be conducted in other SACCOs to find the same within similar context. The study suggests that a research whose interviewees include lower staff instead of the top management would offer significant insights on challenges of strategy implementation and the measures to overcome them.

The achievement of this study can only be viewed as a drop on the ocean; similar more studies should therefore be conducted. Replication of this study should be done due to time difference that bring about changes in the environment in which SACCOs operate in and comparison be made to current data obtained so that constructive recommendations could be drawn.

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## **APPENDICES**

### **APPENDIX I: INTERVIEW GUIDE**

The interview guide seeks to achieve the following objectives;

- i) Determine the strategic implementation challenges faced by Kenya Police Sacco
- ii) Establish how it has been able to overcome the strategic implementation challenges

#### **SECTION A: INTERVIEWEE PROFILE**

1. What is the level of education and professional qualification attained?
2. Your job title?
3. For how long have you been holding the current position?
4. How long have worked at KPS?

#### **SECTION B: CHALLENGES OF STRATEGY IMPLEMENTATION AT KPS**

5. How do you deal with the challenge of strategy implementation at KPS?
6. How well does KPS plan on issues of strategy implementation?
7. How committed is KPS management on issues of strategy implementation?
8. How does communication affect implementation of strategy at Kenya Police Sacco?
9. How do you relate culture of KPS to strategy implementation?

10. What is your opinion on the amount of resources devoted by company to carry out strategy implementation? Is it adequate?
11. What is the relationship between employees formulating strategies and those implementing strategies at KPS?
12. How do you relate organizational strategy to organizational leadership?
13. Explain how coordination activities affect the implementation of strategy in Kenya Police Sacco?
14. What other challenges does your organization face in the implementation of strategy?

**SECTION C: OVERCOMING STRATEGIC IMPLEMENTATION CHALLENGES**

15. What framework and tools is the Kenya Police Sacco using to overcome challenges of strategy implementation?
16. What suggestion would you offer to KPS that would help reduce the challenges of strategy implementation?
17. How committed is the top leadership in providing financial and non financial resources to support the company strategy implementation?
18. How does KPS ensure that its staff remains committed to strategy implementation?