

**A SURVEY OF STRATEGY IMPLEMENTATION CHALLENGES
FACING REGIONAL DEVELOPMENT AUTHORITIES
IN KENYA**

By

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the Award of the Degree of Master of Business Administration, University of
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Declaration

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Dedication

This research is dedicated to my parents and family for their invaluable support during the time of the study.

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I wish to acknowledge the support of my family, MBA colleagues, friends and particularly my supervisor Dr. Martin Ogutu for guidance and eventual production of this project. May the Almighty God bless them all abundantly.

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Abstract

Kenya has six Regional Development Authorities (RDAs) established under specific Acts of parliament. The RDAs were established with the objectives of creating desired regional balance in development through complementing multi-sectoral programme and projects. Their mandate is to plan, implement and coordinate development programme in regions under their jurisdiction to ensure development through integrated planning and management.

These Authorities include Kerio Valley Development Authority (KVDA) established under Cap 441 of the laws of Kenya, the Lake Basin Development Authority (LBDA), Cap 442, Tana River and Athi River Development Authority (TARDA), Cap 443, Ewaso Ngiro South River Basin Development Authority (ENSDA), Cap 447, Ewaso Ngiro North River Basin Development Authority (ENNDA), Cap 448 and the Coast Development Authority (CDA), Cap 449 of the laws of Kenya.

The RDAs have a big potential in attracting investments to achieve sustainability and complement the government's efforts in wealth and employment creation. However, a number of constraints inhibit RDAs from achieving its objectives. Some of this constraints includes dependency on the exchequer for their recurrent and capital requirements as evidenced by the reduction of 15% of the recurrent expenditure to RDAs in the 2005/2006 financial year; Enactment of overlapping Acts of parliament such as Water Act, Irrigation Act, Power Act, EMC Act etc resulting in the dilution of the mandate of RDAs and diversion of funds to other institutions for activities meant to be implemented by RDAs; inadequate development funding; poor salaries to staff; lack of autonomy and absence of regional development policy.

The purpose of this study was to determine the strategy implementation challenges facing Regional Development Authorities in Kenya. The fundamental question this study sought to answer is "what are the strategy Implementation challenges facing Regional Development Authorities in Kenya?" It was found out that all the Regional Development Authorities have strategic plans. For most of the Regional Authorities the strategies were for periods of 1-5 years, this may be attributed to the operating period for most governments departments which take a five year range. However, the results indicate that a politicized internal environment as a cultural factor has had a great negative effect on the execution of strategy.

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CHAPTER ONE

INTRODUCTION

1.1 Background

1.1.1 Strategy Implementation challenges

According to Mintzberg, Quin and Ghoshal (1999) corporate strategy is an organization process, in many ways inseparable from the structure, behaviour and culture of the company which it takes place. Since effective implementation can make a sound strategic decision ineffective or a debatable choice successful. It is important to examine the processes of implementation of strategy as comprised of a series of sub-activities which are primarily organizational.

Strategies are a critical element in organization functioning, but whereas most organizations, have good strategies, successful strategy implementation remains a major challenge (Muthuiya, 2004). The notion of strategy implementation might seem quite straight forward; a strategy is formulated and then implemented.

In the contrary transforming strategies in action is a far more complex, difficult and challenging undertaking and therefore not as straight forward as one would assume (Aaltonen and Kavalko, 2001). Because implementation of strategies remains the greatest bottlenecks, many organizations are not able to address their goals adequately.

According to Machuki (2005), challenges that occur during the implementation process of a strategy are of an important area of research because even the best strategy would be ineffective if not implemented successfully. Muthuiya (2004) states that despite the fact that challenges to successful strategy implementation have not been widely investigated, there are some issues that have surfaced in many studies which include lack of sufficient communication, organizational politics, lack of understanding of strategy, selection of organization structure to implement chosen strategy; cultural impact under estimation, lack of compatibility between structure and culture, resource insufficiency, lack of selection of able people to key positions, poor compensation, poor coordination and sharing of responsibilities, competing activities and uncontrollable factors in the external environment, and resistance to change. Michael (2004) identified other challenges as politicized internal environment, hostility to change and aversion to superior practices. Kithinji (2005) identifies government control as a challenge in strategy implementation.

Hrebiniak (2005) observes that making strategy work presents a formidable challenge. A host of factors, including politics, inertia and resistance to change, routinely can get in the way of execution success. He states that execution is critical to success and represents a disciplined process or a logical set of connected activities that enables an organization to take a strategy and make it work. Without a careful planned approach to execution, strategy goals cannot be attained.

Despite its importance execution is often handled poorly by many organizations. There still are countless cases of good plans going awry because of substandard execution efforts. There are formidable roadblocks or hurdles that get in the way of the execution process and seriously injure the implementation of strategy.

1.1.2 Regional Development Authorities in Kenya

Kenya has six Regional Development Authorities (RDAs) established under specific Acts of parliament. These Authorities were established based on river basins in various regions except for coast development Authority. The RDAs were established with the objectives of creating desired regional balance in development through complementing multi-sectoral programme and projects.

Their mandate is to plan, implement and coordinate development programme in regions under their jurisdiction to ensure development through integrated planning and management.

These Authorities include Kerio Valley Development Authority (KVDA) established under Cap 441 of the laws of Kenya, the Lake Basin Development Authority (LBDA), Cap 442, Tana River and Athi River Development Authority (TARDA), Cap 443, Ewaso Ngiro South River Basin Development Authority (ENSDA), Cap 447, Ewaso Ngiro North River Basin Development Authority (ENNDA), Cap 448 and the Coast Development Authority (CDA). Cap 449 of the laws of Kenya.

The activities of RDAs have been located in different ministries depending on the government of the day. Most recently, it was under the Ministry of Agriculture and Rural Development as the department of Rural Development. Currently the Ministry of Regional Development Authorities is mandated to enhance capacity building and support to the six RDAs vide presidential circular No. 3/2003 on the organization of government. The Ministry envisions being a leading

institution in integrated basin- based regional development for the welfare of the people of Kenya. It therefore plays a critical role in ensuring that government policy is effectively implemented since RDAs cover every inch of the country.

The RDAs have a big potential in attracting investments to achieve sustainability and complement the government's efforts in wealth and employment creation. However, a number of constraints inhibit RDAs from achieving its objectives. Some of this constraints includes dependency on the exchequer for their recurrent and capital requirements as evidenced by the reduction of 15% of the recurrent expenditure to RDAs in the 2005/2006 financial year; Enactment of overlapping Acts of parliament such as Water Act, Irrigation Act, Power Act, EMC Act etc resulting in the dilution of the mandate of RDAs and diversion of funds to other institutions for activities meant to be implemented by RDAs; inadequate development funding; poor salaries to staff; lack of autonomy and absence of regional development policy.

The regional development policy which is under preparation by the Ministry is critical to provide an interface between sector and national level policies with the grassroots interventions. The policy aims at facilitating institutional restructuring of RDAs to turn them into sustainable and more effective vehicles of development than they are presently.

1.2 Statement of the problem

The RDAs were established on the basis of catchments and river basin areas as well as coastal resources in Kenya. The main aim for their establishment was to rationalize equitable and balanced sustainable regional and national development in the country. RDAs therefore plan, coordinate and implement development programmes in regions under their jurisdiction to ensure development through integrated planning and management.

The current mandates of RDAs as stipulated in their respective ACTS are very broad and in trying to implement these mandates, RDAs have become largely ineffective. In the absence of a clear and uniform definition of a core mandate, each RDA has interpreted its mandate differently, often pursuing different priorities in their and duplicating the activities of other agencies, thus creating conflicts and confusion as to core mandate of the RDAs. As a result they have lost their strategic focus. Strategy management has been popularized and has indeed become mandatory in state corporations (Ochanda ,2005). Despite this, there is however poor performance of state corporations and in particular RDAs which are faced with a number of

constraints including weak institutional support, insufficient funding, unclear policies on ownership of assets, poor governance, weak institutional capacities, overlaps and conflicting mandates with other agencies and inability to attract investments and funding due to lack of policy framework.

A number of studies have been done on strategy implementation component of strategic management process in Kenya by Management Scholars (Aosa 1992, Awino, 2001, Koske 2003, Muthuiya, 2004, Michael, 2004, Machuki 2005, Ochanda, 2005). Only a few of these studies have dealt with strategy implementation challenges (Koske 2003, Muthuiya 2004, Machuki 2005, Ochanda 2005), yet these challenges affect strategy implementation which is a critical aspect in organizational strategy management process.

The studies on strategy implementation challenges focused on the non-profit making organizations, motor vehicle industry and state corporations. Koske (2003) looked at strategy implementation and its challenges in Public corporations, a case study of Telkom Kenya, Muthuiya (2004) focused on non-profit organizations, a case of African Medical and research Foundation (AMREF), Ochanda (2005) studied strategy implementation challenges at Kenya Industrial Estate Ltd, a state corporation while (Machuki, 2005) looked at the Motor Vehicle Industry, specifically a multi-divisional structure, a case of CMC Motors Ltd. Although Koske (2003) and Ochanda (2005) looked at strategy implementation challenges in state corporations, they used case studies in commercial and development finance orientations respectively.

As can be seen from above, no research study has ever been done on strategy implementation challenges facing RDAs. Further, strategy implementation challenges that would apply to commercial and development finance state corporations may not necessarily apply to Regional Development Authorities. There exists therefore, a knowledge gap which this study sought to fill. The purpose of this study therefore was to determine the strategy implementation challenges facing Regional Development Authorities in Kenya. The fundamental question this study sought to answer is "what are the strategy Implementation challenges facing Regional Development Authorities in Kenya?"

1.3 Research objective

The objective of this study was to establish Strategy implementation challenges facing Regional Development Authorities in Kenya.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section reviews available literature on strategy management process, strategy implementation and its challenges. The review has been done from a general perspective owing to scarcity of literature that has focused directly on strategic activities, among Regional Development Authorities.

2.2 Strategic management process

The strategic management process is a flow of information through interrelated stages of analysis toward the achievement of aim. Strategic management is a process that affects the whole organization. It outlines the way in which objectives are determined and strategic decisions are made (Juach and Glueck, 1984). Jones and Hill (1999) define strategic management process as the process by which managers choose a set of strategies for the enterprises. This process affects everybody in the organization. A change in one component may result in changes in all other components (Pearce and Robinson, 1997).

According to Koske (2003), the process of strategic management does not end when the organization makes a decision as to what strategy (s) to pursue. It calls for the consideration of several steps, from formulating vision and objectives to their implementation (Pechlaner and Saurewien, 2002). It has the following components as explained by Pearce and Robinson (2003): Company Mission, Company profile, external environment, strategic analysis and choice, long term objectives, grand strategy, operationalization, and control and evaluation.

Pechalaner and Sauerwien (2002) argue that the strategy implementation phase is a significant aspect of the strategic management process.

Ilofer (1984) defines strategic management as a process, which deals with functional organizational revival and growth with development of strategies, structures and systems necessary to effectively manage the strategy formulation and implementation process. Management issues to strategy formulation include establishing annual objectives, devising policies, allocating resources, altering existing organizational structure, restructuring and re-engineering, revising reward and incentive plans, minimizing resistance to change, matching

manager's strategies, developing a strategy supportive culture and developing an effective human resource function, (David, 2003).

2.3 Strategy implementation

The strategic management process does not end when the firm decides what strategy or strategies to pursue. Once the course of strategy has been charted the managers priorities move towards converting the strategic plan into action and good plans (Ochanda, 2005). Putting strategy into action is seen as an extension of the planning process: a strategy is first formulated and then it is implemented (Johnson and Scholes, 2003).

The implementation process of a strategy typically impacts every part of the organization structure, from the biggest organizational unit to the smallest front line work group (Thomson and Strickland, 1998). According to Aosa (1992), once strategies have been deployed, they need to be implemented; they are of no value unless they are effectively translated into action.

A brilliant strategy that cannot be implemented creates no values to the organization. Effective implementation begins during strategy formulation. Strategy implementation results when organization, resources and actions are tied to strategic priorities and key success factors are identified and performance measures and reporting are aligned (Koskei, 2003).

Once a company has chosen a strategy to achieve its goals, that strategy then has to be put into action by selecting appropriate organizational structure and managing its execution through tailoring the management systems of the organization to the requirement of the strategy (Hill and Jones, 2001). Putting strategy into place and getting individual and organizational sub units to execute their part of the strategic plan successfully is essentially an administrative task (Thompson & Strickland III, 1992).

Successful strategy implementation depends in part on the organization's structure. Future, the strategic plan has to be institutionalized, or incorporated into a system of values, norms, that will help shape employee behaviour, making it easier to reach strategic goals (Ochanda, 2005). Strategy must also be operationalised or translated into specific policies, procedures and rules that will guide planning and decision making by managers and employees (Stoner et al, 2001).

Thus an organization would have to build an organization capability of carrying out strategic plan; develop strategy supportive budgets, and programmes; instill a strong organizational commitment both to organization objectives, and the chosen strategy; link the motivation and reward structure directly to achieving the targeted results, create an organization, culture and a working environment that is in tune with strategy; install policies and procedures that facilitate strategy implementation; develop an information and reporting systems to track progress and monitor performance; and exert the internal leadership needed to drive implementation forward and to keep improving on how the strategy on how the strategy is being executed (Thompson & Strickland, 1993).

According to Muthuiya (2004), the problems of strategy implementation relate to situations or processes that are unique to a particular organization even through some problems are common to all organizations. The key decision makers should therefore pay regular attention to the implementation process in order to focus attention on any difficulties and on how to address them.

2.4 Factors responsible for successful strategy implementation

Successful strategy implementation involves empowering others to act on doing all the things needed to put the strategy into place and to execute it proficiently (Thomson and Strickland, 1998). Bryson (1995) states that the most important outcome that leaders, managers and planners should aim from successful strategy implementation is real value added through goals achievement and increased stakeholders' satisfaction. More than ever before, organizations have realized that successful strategy implementation depends on various factors. Aosa (1992) observed that strategy implementation is likely to be successful when congruence is achieved between several elements. Of particular importance includes; organization structure, culture, resource allocation, systems and leadership (Aosa, 1992, Hunger and Wheelen, 1994).

2.4.1 Structure

Jones and Hill (1999) states that implementing a strategy requires that allocation of roles and responsibilities for different aspects of that strategy to different managers and sub units within the company. A company's organizations structure maps out roles and responsibilities along with reporting relationship, thus strategy is implemented through structure. The value creation

activities of organization's members are meaningless unless some type of structure is used to assign people to tasks and connect the activities of different people and functions.

The structure of an organization helps people pull together in their activities that promote effective strategy implementation. The structure of the organization should be compatible with the chosen strategy and if there is incongruence, adjustments will be necessary either for the structure or the strategy itself (Koske, 2003). However, Mintzberg and Quinn (1991) argue that the central problem in structuring today is not the one on which most organization designers spend their time by dividing tasks. It is one of emphasis and coordination on how to make the whole thing work.

2.4.2 Culture

Organization's culture refers to the set of important assumption (often unstated) that members of an organization share in common (Pearce and Ronson, 2002). Robbins and Coulter (2002) on the other hand defines culture as a system of shared meaning and beliefs held by organizational members that determines, in large degree on how they act. An organization culture provides the social context in which an organization performs its work. It guides the organization's member's in decision making, determining how time and energy are invested, in deciding which options are looked on favourably from the start and which types of people are selected to work for the organizations and in particular everything else that is done in the organization (Goodstein, et al 1992).

Culture affects not only the way managers behave within the organization but also the decisions they make about the organization's relationships with its environment and its strategy (McCarthy, et al 1996). According to Thompson & Strickland (1989), it is the strategy implementer's task to bring the corporate culture into alignment with the strategy and keep it there once a strategy is chosen. Culture can either be strength or a weakness. As strength, culture can facilitate communication, decision making, and control, and can create co-operation and commitment.

As a weakness, culture may obstruct the smooth implementation of strategy by creating resistance to change (Pearce & Robinson, 1988). Aosa (1992) stated that it is important that the culture of an organization be compatible with the strategy being implemented because where there is incompatibility between strategy and culture, it can lead to a high organizational

resistance to change and de-motivation which in turn can frustrate the strategy implementation effort. However, when culture influences the actions of the employees to support current strategy, implementation is strengthened.

2.4.3 Resources

Organization's have at least four types of resources that can be used to achieve desired objectives namely; financial resources, physical resource, human resource; and technological resources (David, 2003). Once a strategic options has been settled upon (in the strategic selection stage), management attention turns to evaluating the resource implications of the strategy (Campbell et al, 2002). The operating level must have the resources needed to carry out each part of the strategic plan (Harvey, 1998). It should therefore be possible to implement strategies with the resource available and it is not possible to implement a strategy which requires more resources than can be made available.

2.4.4 Systems

Systems means all procedures, formal and informal, that make the organization go day by day and year by year; capital budgeting systems, training systems, cost accounting procedures, and budgeting systems (Mintzberg & Quinn, 1991). Organizational structures specify the allocation of responsibilities for specific tasks. These activities need to be carried out more efficiently because they reinforce the implementation of strategy. According to Aaltonen & Ikavalko (2001), linking organizational goal setting system is very essential in strategy implementation.

2.4.5. Leadership

Leadership is needed for effective implementation of strategy, as this will ensure that the organization effort is united and directed towards achievement of its goals (Pearce & Robinson, 1988).

According to Koske (2003), leadership is considered to be one of the most important elements affecting organizational performance. The leadership of the organization should be at the forefront in providing vision, initiative, motivation and inspiration. The management should cultivate team spirit and act as a catalyst in the whole strategy implementation process. As much as possible, the leadership of the organization should fill relevant positions with qualified people committed to the change efforts (Bryson, 1995).

However, not many organizations implement their strategies successfully. The factors responsible for successful strategy implementation are met with challenges which results to causes of failure and hence do not experience the outcomes and benefits intended (Muthuiya, 2004).

2.5 Strategy Implementation Challenges

Challenges that occur during the implementation process of a strategy are an important area of research because even the best strategy would be ineffective if not implemented successfully. Despite the fact that challenges to successful strategy implementation have not been widely investigated, there are some issues that have surfaced in many studies (Muthuiya, 2004).

There are many organizational characteristics which act as challenges to strategy implementation (Kithinji 2005, Ochanda 2005). Muthuiya (2004) states that some of the issues that contribute to ineffective strategy implementation include; communication; understanding the strategy, matching structure to strategy; culture; resource shortage; reward and incentives; resistance to changes; organizational politics and lack of continuity and consistency. Challenges such as structure, culture, leadership, politics, reward and ownership of strategy are of both institutional and operational in nature (Burnes: in Ochanda 2005).

2.5.1 Institutional challenges

2.5.1.1 Structural challenges

Organizational structure imposes certain boundaries of rationality, but it is not necessarily due to the individual's limited cognitive capabilities (March and Simon, 1958). Changes in strategy often call for changes in the way an organization is structured. This is because, when an organization changes its strategy, the existing organizational structure may be ineffective (Wendy, 1997).

According to Campbell et al (2002), the existing structures and processes in the organization should support current ways of doing things and if the strategy indicates that the organization need to behave in different ways, there is likely to be problems should the existing structures be used to implement the changes. The fundamental challenge for the managers is the selection of the organization structure and controls that will implement the chosen strategy effectively.

An organization structure is a firm's formal role configuration, procedures governance and control mechanisms, and authority and decision making process. All firms require some form of structure to implement their strategy. Structure dictates how policies and objectives are established. Resource allocation of an organization is dependent on the kind of structure an organization has. There is no one optimal organizational design or structure for a given strategy or type of an organization (David, 1997; Pearce and Robinson, 2002). Principally structures are changed when they no longer provide the coordination control and direction managers and organizations require to implement strategies successfully (Hitt et al 1997). However, organizations can become so captured by their structures and systems. In such organizations "strategy follows structures, they pursue strategies constrained by their structures and systems (Hall & Saias, 1980).

According to Mc Carthy and Colleague (1996), an organization's structures and behaviour within an organization should be in harmony with and support the strategy of the organization. It is a major advantage for managers to understand and utilize the organizational structure to aid them in the implementation of the strategy. In doing so, they will be dealing with organizational situations from a point of view that encompasses all organizational realities and ties them together in a logical form.

2.5.1.2 Leadership challenges

Leadership has a fundamental influence on the success of a strategy (Ochanda, 2005). Barnajee (1999) observes that the influence is in the three major areas, that is, does the leader have a vision? That is, are the leaders of the organization able to perceive quickly the trends? Does the leader have powers? That is, are the leaders of the organization, through whatever devices they choose to use, able to translate strategic aspirations into operating realities? Does the leadership have the political astuteness necessary to neutralize the negative effects of conflicting internal interests and transform these sectional interests into a vector of coordination policies and activities that support the overall company? Leadership is the process of influencing other towards the achievement of organizational goal (Bartol and Martin 1991).

The leadership challenges is to galvanize commitment among people within an organization as well as stakeholders outside the organization to embrace change and implementation strategies intended to position the organization to do so. Leaders galvanize commitment to embrace change

through these interrelated activities, the activities being to clarify strategic intent, building an organization, and shaping organizational culture (Pearce and Robinson: in Ochanda 2005).

A critical ingredient in strategy implementation is the skills and the abilities of the organization's leader. A leader is an individual who is able to influence the attitudes, and opinions of others, unfortunately most senior managers are merely able to influence employees' actions and decisions. Leadership is not a synonym for management. Leadership is a higher order of capability. The ability to influence the attitude, and opinions of others to achieve a coordinated effort from a diverse group of employees is a difficult task. However, one of the key methods available to management is creating an overall sense of direction and purpose through strategic planning (Byars 1991).

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

2.5.1.3 Cultural challenges

Culture means the powerful, and complex set of values, traditions, and behavioural patterns that somehow bond together the people who comprise an organization (Ochanda, 2005). Ansoff (1965) points out that behaviour is not value free, that is individuals show preferences for certain behaviour and many persist with it even if it leads to sub-optimal results. For a strategy to be successfully implemented, it requires an appropriate culture. When firms change strategies, and sometimes structures, they sometimes fail because the underlying values do not support the new approach (O'Reilly 1989). Strategies should, therefore, strive to preserve, emphasize, and build

aspects of an existing culture that support proposed new strategies. Culture may be a factor that drives strategy rather than the other way round (Kazmi: in Ochanda 2005).

The implementation of a strategy often encounters rough going because of deep rooted cultural practice (Muthuiya 2004). This causes resistance to implementation of new strategies. Creating an organizational culture, which is fully harmonized with strategic plan, offers a strong challenge to the strategy implementers administrative leadership abilities (Kithinji, 2005).

2.5.1.4 Reward or motivational challenges

The reward system is an important element of strategy implementation. Johnson and Scholes (2002) observe that incentives such as salary raises, stock options fringe benefits, promotions, praise, criticism, fear, increased job autonomy and awards can encourage manager and employee to push hard for successful implementation of strategy. According to Thompson and Strickland (1998), if strategy accomplishment is to be really a top priority, then the reward structure must be linked explicitly and tightly to actual strategic performance.

A common first step is to move to a system of measurement of outputs through a series of agreed performance indicators. This may be accompanied by incentives and rewards, which relate to the achievement of targets-either for groups or individual (Johnson and Scholes, 1999).

2.5.1.5 Policies, procedures and support systems

According to David (1992) changes in an organizations strategic direction do not occur automatically. On a day-to-day basis, policies are needed to make a strategy work. A policy is a general guideline for decision making (Stoner and Colleagues, 2001), policy refers to specific guidelines, methods. Procedures, rules, forms, and administrative practice established to encourage work stated goals. According to Galbraith & Merval (1991) and Stoner & colleagues 2001) policies set boundaries, challenges and limited on the kinds of administrative actions that can be taken to reward and sanction behaviour, they clarify what can and cannot be done in pursuit of an organization's objectives.

Most organizations have some forms of policies, rules and procedures that help in implementing strategy in cases where routine action is required (Stoner and Colleagues 2001). Policies enables, both managers and employees to know what is expected of them thereby increasing the likelihood that strategies will be implemented successfully. Hussey (1988) observes that

whatever the scope and form of the policies, they serve as a mechanism for implementing strategies and realizing objectives. They provide the means of carrying out strategic decisions.

2.5.2 Operational challenges

2.5.2.1 Tactical and operational plans

Most managers in an organization do not directly develop the organization's strategic plan (Reid, 1990). Those who are usually interested in the benefits and results of planning are frequently not responsible for implementation of the strategic plan. It is a disparate activity relying on input from some and interpretation by others (Donnelly & Colleague, 1992). In well managed organizations, a relationship exists between strategic planning and the planning done by managers at all levels (Wallace, 1987).

Operational planning is based on forecasts of future demand for the output of the system. But even with the best possible forecasting and the most finely tuned operation system, demand cannot always be met with the existing system capacity in a given time period (Stoner & Colleagues, 1996). Once the strategic plans and goals of the organization are identified, they become the basis of planning activities undertaken by tactical and operational managers. Goals and plan become more specific and involve shorter periods of time as planning moves from the strategic level to the operational level. If done properly planning results in a clearly defined blue print for management action at all levels in the organization (Gluck, 1985).

According to Bateman and Zeithaml (1990) tactical planning translates broad strategic objectives and plans into specific goals and plans that are relevant to a definite portion of the organization, often a functional area like marketing or personnel. Tactical plans focus on the major actions required by the unit to fulfill its part of the strategic plan. On the other hand operational planning identifies the specific procedures and processes required at lower level of the organization. Operational managers usually develop plans for very short periods of time, such as production runs, delivery schedules and personnel requirements.

2.5.2.2 Resource allocation

Resource allocation is a critical management activity that enables strategy implementation (David, 1997). Its sufficiently is a common strategy implementation challenge. Allocating resources to particular divisions and departments does not mean that strategies will be

successfully implemented. This is because a number of factors commonly prohibit resources allocation. David (1997), observes that in organizations that do not use a strategic management approach to decision making, resource allocation is often based on political or personal factors such as over protection of resource, emphasis on short run financial criteria, organizational policies, vague strategy targets, reluctance to take risks and lack of sufficient knowledge. Strategic management enables resources to be allocated according to priorities established by annual objectives.

Nothing can be so detrimental to strategic management and to organizational success than for resources to be allocated in ways not consistent with priorities indicated in approved annual objectives (Ochanda, 2005).

All organizations have at least four types of resources that can be used to achieve desired objectives. There are financial resources, physical resources, human resource, and technological resources (Thompson, 1990).

2.5.2.3 Communication of responsibility and accountability

Communication is key to successful strategy implementation. Poor sharing of information or poor knowledge transfer and unclear responsibility and accountability can also lead to failure of strategy implementation (Hrebiniak, 2005). Attempts to coordination or integration across organizational units can suffer up unclear responsibilities and poor sharing of information needed for strategy implementation periods. Indeed, complex strategies often demand cooperation and effective coordination and information sharing. Not achieving the requisite knowledge transfer and integration, certainly, cannot help strategy implementation. Through involvement in the process managers and employees become committed to supporting the organization. Dialogue and participation are essential ingredients to strategy implementation (David, 1997).

Muthuiya (2004) states that the amount of strategic communication in most of the organization is large, both written and oral communications is used, mostly in the form of top down communications. Communications should be two way so that it can provide information to improve understanding and responsibility, and motivate staff. Communication should not be seen as a once off activity focusing on announcing strategy. It should be an on-going activity throughout the implementation process.

2.5.2.4 Management and employees involvement

A serious mistake made by organizations in their initial enthusiasm for planning has been to treat strategy formulation as an exclusively top management function and the middle level managers are given a support role (Shivastalra, 1996).

This approach can result in formulation of strategy in a vacuum by planning executives who have little understanding or knowledge of the operating realities. As a result they formulate strategies that cannot be implemented (Hill and Jones, 2001).

Participation in the strategy formulation ensures that managers and the supervisors understand the strategy, believe in it and are committed to carrying it out. More and more organizations are decentralizing the strategic management process, recognizing that planning must involve lower level managers and employees (David, 1997). The process is learning, helping, educating and supporting activity among top executives.

Strategic management dialogue is more important than a nicely bound strategic management document. The worst thing strategists can do is to develop plan themselves and then present them to the operating managers to execute. Through involvement in the process the managers become "owners" of the strategy. Ownership of the strategy by the people who have to execute it is a key to success (David, 1997).

2.5.2.5 Operational objectives

A strategically driven and aligned measurement system, Strategic Measures Analysis and Reporting Technologies (SMART) can be viewed as a three-tiered hierarchy of measure, working from top-down. Any operational system is generally too complex to serve as a practical link between the strategic business objectives of the SBU and the many functions and departments that comprises its operating system (Judson, 1996). Thus even after an operating system has been successfully designed and placed into actual use, considerable managerial discretion remains. This is because decision must be made on a short-term basis-month to month, day to day, even hour to hour as to how the system will be operating and controlled (Stoner & Colleagues, 2001). Judson (1996) "unbundles" the macro-economic system into a number of Business Operating System (BOS), A BOS encompasses the primary flow of work and supporting functions, people, technology, workflow, policies and procedures required to execute a single strategy.

Ensuring implementation success

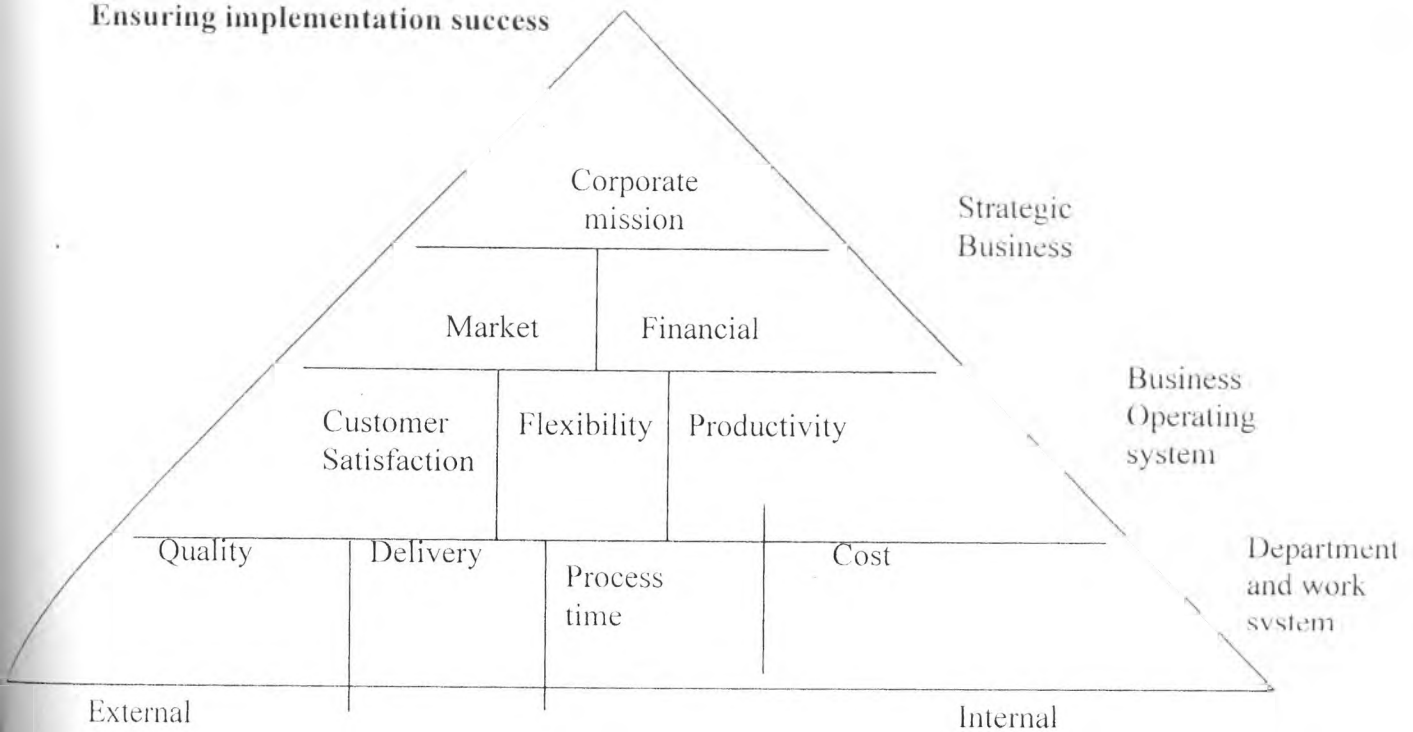


Figure 1: The SMART performance pyramid

Source: Judson, A. S (1996). Making Strategy Happen, 2nd edition Blackwell, London, pp.5-12

2.5.2.6 Annual objectives

Annual objectives lie at the very heart of strategy implementation (Stoner and Colleagues 2001). They identify precisely what should be accomplished each year to achieve organizational goals. In the process, they also provide managers with specific targets for the coming years' performance. They clarify manager's role, in the implementation of an organization's strategy.

Annual objectives serve as guidelines for action, directing and channeling effort and activities of the organizations. They provide a source of legitimacy an enterprise by justifying activities to stakeholders (Alexander 1985). Annual objectives also serve as standards of performance and as such give incentives for the managers and employees to perform. They, thus provide a basis for organizational design.

According to David (1995) annual objectives are essential for strategy implementation success because they represent the basis for allocating resources; they form a primary mechanism for evaluating managers, and a major instrument for monitoring progress toward achieving long term objectives and establish organizational and departmental priorities. According to Stalle &

Colleagues (1992) they add breath specifically in identifying what should be accomplished to achieved long term objectives.

Annual objectives should be consistent across hierarchical level and form a network of supportive aims. They should be measurable, consistent, reasonable, challenging, clear, communicated throughout the organization characterized by an appropriate time, dimension, and accomplished by commensurate rewards and sanctions. Ansoff (1968) argued that objectives are not helpful unless they are measurable and precise. Well designed objectives, clarify a manager's role in the implementation of an organizations strategy, are clearly linked to the organization's long term goals, and they are measurable. It is important that they quantify performance so there can be little despite over a unit's results (Stoner and Colleagues ,2001).

2.5.2.7 Budgetary allocation

Budgets are critical in strategy implementation for they support the objectives and operating plans. Hrebiniak & Joyce (1984) observes that there are two relatives between budgeting and the planning process. One begins with a budget at least an implied one and then asks what objectives can be achieved given the actual or projected financial resources. In the alternative approach, the budget follows from and is justified by the planning process. Emphasis first is an identified key result areas and positive outcomes to be attained by focusing on a given set of objectives and action plans. Hrebreniak & Joyce (1984) further observe that the main problem with prior determination of budget is that future activities may be tied in with and dependent upon the past. This can lead to an excessive dependence on previous activities and a myopic approach to planning.

Judson (1996) observes that in a strategy based budgeting process, each functions or department determines the minimum budget required for it to continue its existence and considers steps by step the specific action programs supporting the business strategy and the operating plan, and forecasts any demand each action step might make on the department for work. For each strategy and associated action program, the department totals the expenses refunded by line item and offsets these with any anticipated revenues.

CHAPTER THREE RESEARCH METHODOLOGY

3.1 Research Design

The research investigated strategy implementation challenges among Regional Development Authorities in Kenya. The research was conducted using census survey. A census survey method was used to carry out similar studies in Kenya (Mugambi, 2003). The study relied on social science research methodology and the scope was confined to the implementation of the current RDAs strategic plans.

3.2 The population and Census

The population of interest consisted of all Regional Development Authorities in Kenya. A census survey was used to obtain data from these RDAs. According to the Ministry of Regional Development Authorities (MORDA) Strategic plan (2004-2009) the number of RDAs in Kenya is only six and spread in different parts of Kenya. It is therefore important to cover all of them in the study.

3.3 Data collection method

The study relied on primary data. A semi-structured questionnaire (see appendix 1) was used to collect data from top management consisting of Managing Directors, Heads of Departments and project managers. The questionnaire was administered using e-mail and drop and pick later method. Similar studies of this nature are: Awino (2000), Koske (2003) and Michael (2004).

3.4 Data analysis

The nature of the information to be obtained from the questionnaire was descriptive. Descriptive statistics was therefore used to analyze the data. These include calculation of Mean Scores, percentages and frequencies to measure and compare the outcomes. This method has been used by scholars Muthuiya (2004) and Koskei (2003).

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter represents the data analysis and findings; the basis of the analysis is the questionnaire which has been developed to capture the objective of the research. The chapter is organized into different sections; strategic management process, strategy implementation and challenges experienced.

4.2 Strategic Management Process

4.2.1 Whether the organization has strategic plans

The respondents were asked to indicate whether they have strategic plans, this was to indicate the level of consistency with the aim of this research. It is evident that all the Regional Development Authorities have strategic plans. All the 59 respondents representing 100% indicated that their Authorities had strategic plans. This may be attributed to the top down communication channel from Ministry level.

4.2.2 Years covered by strategy

The results show that for most of the regional Authorities the strategies were for periods of 1-5 years, this was represented by 86%, this may be attributed to the operating period for most governments departments which take a five year range. This therefore implies that the ministerial departments must be able to align their activities to the headquarters. Table 4.2.1 presents the findings.

Table 4.2. 1: Years covered by strategy

Response	Frequency	Percent
1-5 yrs	51	86
6-10 yrs	6	10
Over ten yrs	2	4
Total	59	100

4.2.3 When current plan is ending

The respondents were asked to show when their current strategic plans will be ending, the majority of the respondent indicated that the strategic plans will be ending in 2009, this indicates that most of the Regional Authorities formulated their strategies at around the same time leading to similar period of finalization. Table 4.2.2 shows the findings. 36% of the strategic plans end in 2009 followed by those which ended in 2008 at 25%.

Table 4.2. 2: when current plan is ending

Ending Year	Frequency	Percent
2008	15	25
2009	21	36
2010	12	20
2011	9	15
2012	2	4
Total	59	100

4.2.4 Whether there are documented strategies

The results as presented in Table 4.2.3 show that a majority of the respondent have documented strategies, 51% of the respondents indicated that they have documented strategies, close to half of the respondents did not have documented strategies, this presents a challenge in relation to strategy communication, without well documented strategies, it may not be possible to communicate and involve staff in the process of formulation and implementation.

Table 4.2. 3: whether there are documented strategies

Response	Frequency	Percent
Yes	30	51
No	29	49
	59	100

4.3 Strategy Implementation

4.3.1 Extent of use of Processes in strategic management

The respondents were asked to indicate the extent to which the listed processes had been used in strategy implementation within the Regional Development Authorities. The respondents were

asked to use a five point likert scale where 1 represented no effect at all, and 5 representing very effective. Table 4.3.1 represents the mean and standard deviation of the responses. The results indicate that performance targets as a process has been effectively used in the process of strategic management in the Regional Development Authorities under review.

The other processes such as direct supervision, planning and control systems, social and cultural processes and self control and personal motivation have only been used to a moderate extent, this is because they all had a mean score of three. The standard deviation represents the dispersion of the mean scores chosen for each process, the results indicate that the highest standard deviation score was 1.1; this shows that there was little dispersion in the responses obtained. The results of these findings have been presented in Table 4.3.1.

Table 4.3. 1 Processes in Strategy implementation

Process in Strategy Implementation	Mean	Std. Deviation
Direct supervision	3.00	0.83
Planning and control systems	3.00	0.92
Performance targets	4.00	0.76
Social /cultural processes	3.00	1.1
Self control and personal motivation	3.00	1.2

4.3.2 Extent of contribution of organisational Factors to strategy

The respondents were asked to indicate the extent to which certain organisational factors had contributed to the successful strategy implementation. The factors were ranked using a five point likert scale, where 5 represented very successful and 1 represented not at all. The organisational factors included change of structure and culture, leadership, organisational procedures, management skills, financial resources and reward policy. The results as presented in Table 4.3.2 shows that leadership of the managing director and the management skills in the Regional Development Authorities had influenced the success of implementation of strategy. Structure had less contribution to the strategy implementation; they had a score of 4 out of 5.

Change of culture, organisational procedures, financial resources and reward policy has

successful contribution towards strategy implementation. The change of organisation structure has however had less contribution towards successful strategy implementation. Standard deviation presents the level of dispersion of means chosen for each factor being ranked. The results indicate that the highest standard deviation was 1.3; this implies that most of the means were within that range for most of the organisational factors. The minimum and maximum columns represent the lowest and highest means for each factor.

Table 4.3. 2 Organisational Factors

Organisational Factors	Mean	Std. Deviation
Leadership of the MD	4.00	0.91
management skills	4.00	0.88
Change of culture	3.00	1.11
Organisational procedures	3.00	0.91
Financial resources	3.00	0.09
Reward policy	3.00	1.15
Change of structure	2.00	1.30

4.3.3 Effect of cultural practices on execution of strategy

The respondents were asked to show how the cultural practices have negatively influenced the execution of strategy in the regional department. The cultural practices include politicized internal environment, hostility to change, promotion of traditional managers and aversion to superior practices. The results indicate that a politicized internal environment as a cultural factor has had a great negative effect on the execution of strategy; this has a mean score of 4. Politicized internal environment leads to instability within the departments and organizations, in addition, there is likely to be discrimination and mistrust among employees.

The other cultural practices such as hostility to change, promotion of traditional managers and aversion to superior practices have a moderate negative effect on the execution of strategy. Hostility to change is likely to lead to slow development, mainly because with leaders and staff who do not appreciate change, the improvement in terms of efficiency and adoption of new methods of management are not implemented. Traditional managers may not be able to cope

with current challenges, in addition, new and younger staff members should be given a chance to build their experience, without this chance, strategy execution may be elusive. Table 4.3.3 represents the findings of the study.

Table 4.3. 3 Cultural Practices

Cultural Practices	Mean	Std. Deviation
A politicized internal environment	4.00	1.22
Hostility to change	3.00	1.03
promotion of traditional managers	3.00	1.25
a version to superior practices	3.00	1.12

4.3.4 Tasks undertaken to enhance performance

The respondents were asked to indicate the extent to which the organizations have undertaken the tasks listed to enhance and build up a spirit of high performance into organisation culture. The five point likert scale was used to rate the extent to which the identified tasks had been undertaken. 5 represented to a very great extent while 1 represented not at all. The results show that the Regional Development Authorities undertook to great extent the setting of reasonable performance targets. Well set targets are likely to ensure that employees stay on course and contribute towards the strategic objectives realization.

To a moderate extent, the Authorities have undertaken various tasks to be able to enhance a spirit of high performance; these include treating employees with dignity and respect; training each employee thoroughly, encouraging employees to use their initiatives and creativity and granting autonomy to stand out and excel, these had a score of three out of five. These tasks undertaken show that all efforts were directed towards improving employee contribution to the realization of the Authority's goals and targets. The standard deviation show that there was little dispersion between the chosen means for each task that was ranked, the highest being 1.23.

Table 4.3. 4 Tasks Undertaken

Tasks undertaken	Mean	Std. Deviation
Setting reasonable performance targets	4.00	1.04
Treating employees with dignity and respect	3.00	1.10
Training each employee thoroughly	3.00	1.09
Encouraging employees to use own initiatives and creativity	3.00	1.03
Granting employees autonomy to stand out and excel	3.00	1.23

4.3.5 Impact of Environmental Factors on Strategy implementation

The results of the findings indicate that the various environmental factors affect the implementation of strategy in the Regional Development Authorities. As evidenced in Table 4.3.5, customers and clients as an environmental factor had a score of 5 indicating that it has a very great impact on strategy implementation by Regional Development Authorities. Other factors have also had a great impact on the strategy implementation; these factors include economic, political, technological, creditors and suppliers. The above factors influence the general operations of the Authorities; economic factors determine the availability of funds for implementation of strategy.

The Authorities being part of the government administration require positive political goodwill to ensure successful operation. Technology has ensured more efficiency in operations of many organizations, as part of strategy to ensure efficiency, successful adoption of technology will influence strategy. Other environmental factors include creditors and suppliers. To a moderate extent, legal factors impact on the strategy implementation, this may be in relation to areas of misconduct of staff members and other suits against breach of duty.

Table 4.3. 5 Environmental Factors

Environmental Factors	Mean	Std. Deviation
Customers/clients	5.00	6.79
Economic factors	4.00	0.95
Political factors	4.00	0.86
Technological factors	4.00	1.14
Creditors	4.00	1.18
Suppliers	4.00	1.07
Legal factors	3.00	1.08

4.4 Strategy Implementation Challenges

The researcher sought to establish the level at which various challenges affect implementation of documented strategies in the departments or organizations. The five point likert scale was used to indicate the level of effect, 1 represented least affected and 5 represented extremely affected. The challenges were grouped into structural, cultural, leadership, operational, environmental and reward challenges.

4.4.1 Structural Challenges

The results show that the to great extent the implementation of strategy was affected by the fact that implementation took more time than originally allocated, this may be attributed to the fact that various implementation plans are interfered with by many uncontrollable factors that may lead to delays in time as had been planned before. To a moderate extent other structural challenges affected the implementation of strategy, these included the following challenges; completing activities and crises distracted attention from implementation of the decisions; monitoring planning, coordination and sharing of responsibilities was not well defined, inadequate coordination and implementation activities, lack of focus and ability on the new strategy and insufficient flexibility of strategy. The standard deviation between the mean scores of the responses was at a high of 1.40, this indicates that there was little dispersion in the mean scores. The findings are presented in Table 4.3.6;

Table 4.3. 6 Structural Challenges

Structural Challenges	Mean	Std. Deviation
Implementation took more time than originally allocated	4.00	1.11
Competing activities and crises distracted attention from implementation of the decisions	3.00	1.40
Monitoring planning, coordination and sharing of responsibilities was not well defined	3.00	1.08
Inadequate coordination and implementation activities	3.00	1.19
There was lack of focus and ability on the new strategy	3.00	1.26
Insufficient flexibility of strategy	3.00	1.08

4.4.2 Operational Challenges

The results as presented in Table 4.4.1 show that the operational challenges listed had a moderate effect on the implementation of the documented strategies. All the listed challenges had a mean score of 3 which is considered moderate. Challenges such as lack of operational and tactical plans, inadequate communication of strategy to the staff, lack of clear responsibility for implementation, key implementation tasks and activities not sufficiently defined and inadequate information systems used to monitor implementation all represent situations that are likely to be experienced in the process of strategic management at different stages. The findings of the study therefore support general agreement of challenges of strategic management.

Table 4.4. 1 Operational Challenges

Operational Challenges	Mean	Std. Deviation
Lack of operational and tactical plans	3.00	1.28
There was inadequate communication of strategy to the staff	3.00	1.17
Lack of clear responsibility being fixed for implementation	3.00	1.21
Key implementation task and activities not sufficiently defined	3.00	1.26
Inadequate information systems used to monitor implementation	3.00	1.11

4.4.3 Cultural Challenges

The results as presented in Table 4.4.2 show that to a great extent, with a mean score of 4, inadequate resources as a challenge had an impact on the implementation of strategy; the standard deviation was 1.22 showing a less dispersion in the mean scores. Other cultural challenges had to a moderate extent affected the implementation of strategy, these were challenges such as employee capabilities being inadequate, and this therefore necessitates training of employees in areas of job allocation for successful implementation.

Other challenge which had to a moderate extent affected strategy implementation included slow acceptability of new strategy by the Authorities; resistance from lower levels; inadequate training of staff; unsupportive organisational culture, wrong organisational culture and non involvement of formulators in implementation process, all these challenges had a score of 3 out of five, the highest standard deviation was at 1.33 which represent a low dispersion between the mean scores. The challenges such as resistance from lower levels require immediate action to involve every staff member since lower levels carry out the implementation and they need to be put in the process of strategy from the beginning.

Table 4.4. 2 Cultural Challenges

Cultural Challenges	Mean	Std. Deviation
Resources made available were inadequate	4.00	1.22
Capabilities of employees involved were not adequate	3.00	1.19
Slow acceptability of the new strategy by the authority	3.00	1.15
Resistance from lower levels	3.00	1.31
Inadequate training of staff	3.00	1.22
Unsupportive organisational culture	3.00	1.06
Wrong organisational culture	3.00	1.33
Advocates and supporters of the strategic decisions left during implementation	3.00	1.01

4.4.4 Leadership Challenges

The results as presented in Table 4.4.3 show that the leadership challenges have to a moderate extent affected strategy implementation. All the listed possible leadership challenges have a mean score of 3, this shows moderate effect on strategy implementation. The highest standard deviation for the mean scores is 1.31, this shows limited dispersion in the mean score ranking.

Inadequate leadership and direction from managing director and departmental managers as a challenge should be mitigated by adequate training and responsibilities for managers to offer adequate strategic direction. Insufficient human resources skills as a challenge may emanate from lack of training for a job allocation, redress should be sought to ensure jobs are allocated to staff with adequate experience and qualification. Lack of stakeholder commitment and lack of senior management support also still revolve around leadership of managing director or departmental manager. Table 4.4.3 shows the findings of the study.

Table 4.4. 3 Leadership Challenges

Leadership Challenges	Mean	Std. Deviation
Leadership and direction provided by MD/departmental managers were not adequate	3.00	1.07
Insufficient human resource skills	3.00	1.12
poor management of resources	3.00	1.23
Overall goals not sufficiently well understood by employees	3.00	1.20
Lack of stakeholder commitment	3.00	1.21
Lack of senior management support	3.00	1.31

4.4.5 Environmental Challenges

The results presented in Table 4.4.4 show that to a great extent, the lack of regional development policy has affected the strategy implementation process, this had a mean score of 4, with a standard deviation of 1.28, and this implies that there was little dispersion on the mean scores. The other environmental challenges had to a moderate extent affected the process of strategy implementation. Government interference and regulation as a challenge may have an effect due to change of guard at the national headquarters, each group of leaders may have their own reservations on how to implement a policy.

The surfacing of major obstacles during implementation that had not been identified beforehand indicated a lapse in the process of strategic planning. Uncontrollable external factors may not be possible to control due to the fact that the Authorities have no control, the only available remedy would be to reduce the effects. Table 4.4.4 shows the findings.

Table 4.4. 4 Environmental Challenges

Environmental Challenges	Mean	Std. Deviation
Lack of regional development policy	4.00	1.28
Major obstacles surfaced during implementation that had not been identified before hand	3.00	1.20
Uncontrollable factors in the external environment had adverse impacts on implementation	3.00	1.14
Government interference and regulation	3.00	1.32

4.4.6 Reward Challenges

The results presented in Table 4.4.5 shows that strategy implementation is extremely affected by low moral due to poor pay for staff. This is a definite challenge which affects all organizations without comprehensive reward systems. All employees need to be compensated for all their efforts. To be able to ensure satisfaction and moral improvement at work, employee's pay must be commensurate to the responsibilities and tasks performed. The lack of link between reward systems and strategy has to a great extent affected strategy implementation. This evidently is a problem because employees may put in much effort in strategy implementation process without adequate compensation. Table 4.4.5 shows the findings.

Table 4.4. 5 Reward Challenges

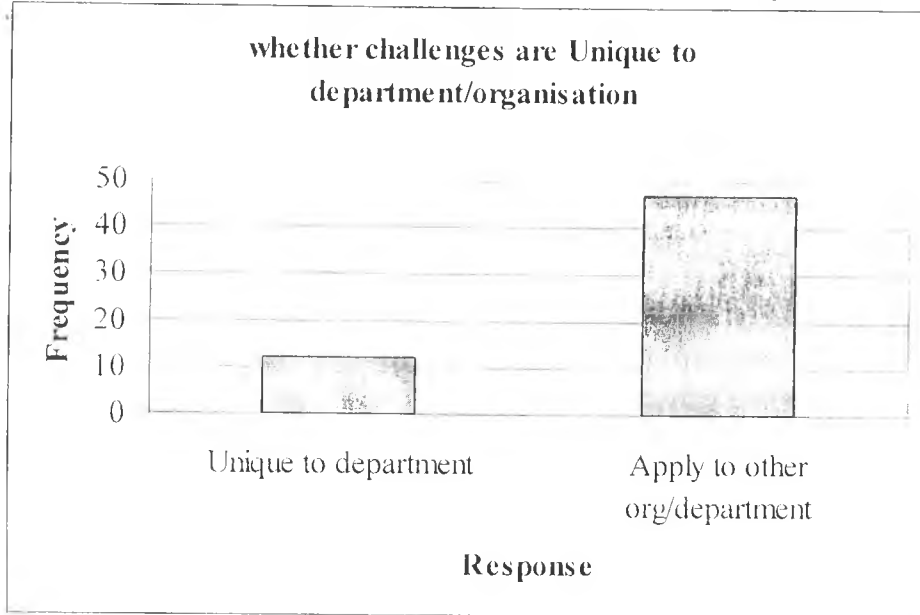
Reward Challenges	Mean	Std. Deviation
Low morale due to poor pay for staff	5.00	0.92
Lack of link between reward systems and strategy	4.00	1.14

4.5 Whether challenges are unique to the organisation/department

The results as presented in Figure 4.5.1 show that for majority of the respondents, the challenges they experience did not apply to the organizations or departments. The respondent gave varied reasons for this choice, standing out as the most homogeneous challenge, the respondent indicated that inadequate financial resources from the headquarters and government funding was experienced in all Authorities and organisation. In addition the respondent explained the

challenges cut across all departments and organizations due to the fact that all departments work together, all other department and organizations which collaborate. Environmental and financial challenges affect all departmental and related organizations.

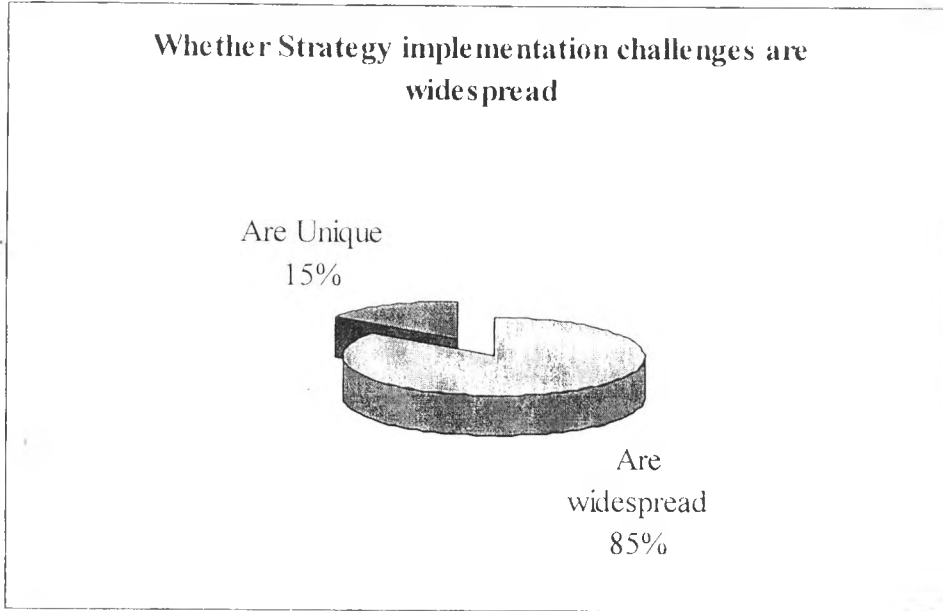
Figure 4.5. 1: whether challenges are unique to the organisation/department



4.6 Whether strategy implementation challenges are widespread

The respondents were asked to indicate whether the challenges they experienced in a region was unique to their Regional Authorities or widespread among all organizations and departments. The results as in Figure 4.6.1 shows that a majority of the challenges experienced cut across most departments and organizations. The majority of the respondents at 85% affirmed this finding.

Figure 4.6. 1: Whether strategy implementation challenges are widespread



4.7 Suggestions to reduce challenges of implementation

The respondents were asked to give suggestions on the steps that need to be undertaken to reduce the effect of challenges of strategy implementation on Regional Development Authorities. The respondents suggested that adequate finances to need to be provided by government to further the Regional Development Authority's strategic plans. The Authorities need to ensure motivation of staff to enhance successful implementation of the Authorities' strategies. The respondents continually suggested that all Regional Development Authorities work in togetherness with the Ministry to a common goal, the Authorities' activities should be guided by Ministry of Regional Development Authorities' goal. Other suggestions to reduce the challenges experienced include a well defined mandate and goals for all regional Authorities. The respondent additionally suggests cultural change of staff; culture of accountability; rewards should be more practical, additionally all Regional Development Authorities need to embrace technology to be able to efficiently achieve the strategic goals. All stakeholders including staff and the public need to be involved in the strategic process, moreover the lower level employees who ensure implementation of the strategies need to be involved from the formulation process to implementation.

CHAPTER FIVE

SUMMARY OF FINDINGS AND DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings, conclusions and recommendations. The summary is drawn from the findings and data analysis, conclusions are guided by the objectives and recommendations are gathered from the respondents.

5.2 Summary of Findings and Discussions

The objective of the study is to establish the strategy implementation challenges facing Regional Development Authorities. It is evident that all the Regional Development Authorities have strategic plans. This may be attributed to the government policy and top down communication channel from the Ministry level. For most of the Regional Authorities the strategies were for periods of 1-5 years, this may be attributed to the operating period for most governments departments which take a five year range. This therefore implies that the Regional Authorities must be able to align their activities to those of the Ministry.

In relation to the period when current strategy period is ending, the findings indicate that for most of the respondents, strategic plans will be ending in 2009, this indicates that most of the Regional Authorities formulated their strategies at around the same time leading to similar period of finalization. On whether there were documented strategies, the results show that a majority of the respondents had documented strategies.

Regarding the processes in the strategic implementation process, the results indicate that performance targets as a process has been effectively used in the process of strategic management in the Regional Development Authorities under review. The other processes such as direct supervision, planning and control systems, social and cultural processes and self control and personal motivation have only been used to a moderate extent. Leadership of the managing director and the management skills in the Regional Development Authorities had influenced the success of implementation of strategy while structure had less contribution to the strategy implementation. The organisational factors such as change of culture, organisational procedures, financial resources and reward policy had less contribution towards strategy implementation. The change of organisation structure has however had less contribution towards successful strategy

implementation.

The results indicate that a politicized internal environment as a cultural factor has had a great negative effect on the execution of strategy. In relation to the cultural practices, politicized internal environment leads to instability within the departments and organizations. In addition, there is likely to be discrimination and mistrust among employees. The other cultural practices such as hostility to change, promotion of traditional managers and aversion to superior practices have a moderate negative effect on the execution of strategy. Hostility to change is likely to lead to slow development, mainly because with leaders and staff who do not appreciate change, the improvement in terms of efficiency and adoption of new methods of management are not implemented. Traditional managers may not be able to cope with current challenges. In addition, new and younger staff members should be given a chance to build their experience, without this chance, strategy execution may be elusive.

Regarding the tasks undertaken by Authorities, the results show that the Regional Development Authorities undertook to great extent the setting of reasonable performance targets. Well set targets are likely to ensure that employees stay on course and contribute towards the strategic objectives realization. To a moderate extent, the Authorities have undertaken various tasks to be able to enhance a spirit of high performance; these include treating employees with dignity and respect; training each employee thoroughly, encouraging employees to use their initiatives and creativity and granting autonomy to stand out and excel. These tasks undertaken show that all efforts are directed towards improving employee contribution to the realization of the Authorities' goals and targets.

In relation to the environmental factors, results of the findings indicate that the various environmental factors affect the implementation of strategy in the Regional Development Authorities, customers and clients as an environmental factor indicate that it has a very great impact on strategy implementation by Regional Development Authorities. Other factors have also had a great impact on the strategy implementation; these include economic factors, political factors, technological factors, creditors and suppliers. The above factors influence the general operations of the Authorities; economic factors determine the availability of funds for implementation of strategy. The Authorities being part of the government administration require positive political goodwill to ensure successful operation. Technology has ensured more

efficiency in operations of many organizations, as part of strategy to ensure efficiency. successful adoption of technology will influence strategy. Other environmental factors include creditors and suppliers. To a moderate extent, legal factors impact on the strategy implementation, this may be in relation to areas of misconduct of staff members and other suits against breach of duty.

In relation to the challenges experienced in strategy implementation, the results show that to a great extent the implementation of strategy was affected by the fact that implementation took more time than originally allocated, this may be attributed to the fact that various implementation plans are interfered with by many uncontrollable factors that may lead to delays in time as had been planned before. To a moderate extent other structural challenges affected the implementation of strategy, these included the following challenges; completing activities and crises distracted attention from implementation of the decisions; monitoring planning, coordination and sharing of responsibilities was not well defined, inadequate coordination and implementation activities, lack of focus and ability on the new strategy and insufficient flexibility of strategy.

The operational challenges had a moderate effect on the implementation of the documented strategies, these included challenges such as lack of operational and tactical plans, inadequate communication of strategy to the staff, lack of clear responsibility for implementation, key implementation tasks and activities not sufficiently defined and inadequate information systems used to monitor implementation all represent situations that are likely to be experienced in the process of strategic management at different stages. In relation to cultural challenges, the results show that inadequate resources as a challenge had an impact on the implementation of strategy; other cultural challenges had to a moderate extent affected the implementation of strategy, these were challenges such as employee capabilities being inadequate, and this therefore necessitates training of employees in areas of job allocation for successful implementation. Other challenge which had to a moderate extent affected strategy implementation included slow acceptability of new strategy by the authority; resistance from lower levels; inadequate training of staff; unsupportive organisational culture, wrong organisational culture and non involvement of formulators in implementation process. The challenges such as resistance from lower levels require immediate action to involve every staff member since lower levels carry out the implementation and they need to be put in the process of strategy from the beginning.

Regarding leadership challenges, all the listed possible leadership challenges shows limited dispersion in the mean score ranking. Inadequate leadership and direction from managing director and departmental managers as a challenge should be mitigated by adequate training and responsibilities for managers to offer adequate strategic direction. Insufficient human resources skills as a challenge may emanate from lack of training for a job allocation, redress should be sought to ensure jobs are allocated to staff with adequate experience and qualification. Lack of stakeholder commitment and lack of senior management support also still revolve around leadership of managing director or departmental manager. To a great extent, the lack of Regional Development Policy has affected the strategy implementation process leading uncoordinated operations of Regional Development Authorities whose mandates are unclear and sometimes conflicts with those of line Ministries. The other environmental challenges had to a moderate extent affected the process of strategy implementation. Government interference and regulation as a challenge may have an effect due to change of guard at the national headquarters, each group of leaders may have their own reservations on how to implement a policy.

The surfacing of major obstacles during implementation that had not been identified beforehand indicated a lapse in the process of strategic planning. Uncontrollable external factors may not be possible to control due to the fact that the Authorities have no control, the only available remedy would be to reduce the effects. The results show that strategy implementation is extremely affected by low morale due to poor pay for staff. This is a definite challenge which affects all organizations without comprehensive reward systems. All employees need to be compensated for all their efforts. To be able to ensure satisfaction and morale improvement at work, employee's pay must be commensurate to the responsibilities and tasks performed. The lack of link between reward systems and strategy has to a great extent affected strategy implementation. This evidently is a problem because employees may put in much effort in strategy implementation process without adequate compensation

On whether the challenges applied to the organizations and departments, the results show that for majority of the respondents, the challenges they experience did not apply to the organizations or departments. The respondents gave varied reasons for this choice, standing out as the most homogeneous challenge, the respondents indicated that inadequate financial resources from the Ministry headquarters and government funding was experienced in all Regional Authorities and departments. In addition the respondents explained the challenges cut across all departments and

organizations due to the fact that all departments work together, all other departments and organizations which collaborate. Environmental and financial challenges affect all departmental and related organizations. The respondents were asked to indicate whether the challenges they experienced in a region was unique to their regional Authorities or widespread among all organizations and departments. The majority of the respondents at 85% affirmed that challenges are widespread while 15% indicated that the challenges are unique.

5.3 Conclusions

The objective of the study was to establish the challenges that affect strategy implementation process for Regional Development Authorities in Kenya. From the findings it can be concluded that Regional Development Authorities experiences a vast number of challenges. the challenges emanate from structural aspects, operational challenges, cultural, leadership, environmental and reward challenges. It can be concluded that the implementation of strategy was affected by the fact that implementation took more time than originally allocated, this may be attributed to the fact that various implementation plans are interfered with by many uncontrollable factors that may lead to delays in time as had been planned before. In relation to the operational challenges, strategy implementation is affected by lack of operational and tactical plans, inadequate communication of strategy to the staff, lack of clear responsibility for implementation, key implementation tasks and activities not sufficiently defined and inadequate information systems used to monitor implementation all represent situations that are likely to be experienced in the process of strategic management at different stages

In relation to cultural challenges, it can be concluded that inadequate resources as a challenge had an impact on the implementation of strategy; the lack of regional development authority policy has affected the strategy implementation process In relation to reward challenges, the results show that strategy implementation is extremely affected by low morale due to poor pay for staff members. The leadership challenges that affect strategy implementation include leadership and direction provided by managing director or departmental managers; insufficient human resource skills; poor management of resources; overall goals not well understood by employees, lack of stakeholder commitment and lack of senior management support.

5.4 Recommendations for further Research

The research objective of this study was to establish strategy implementation challenges facing Regional Development Authorities in Kenya. The findings narrowed on implementation challenges yet strategic management process involves planning, implementation and control. It is therefore suggested that further research can be done on strategic planning processes undertaken by Regional Development Authorities or other parastatals in Kenya. Similar research can also be undertaken in a specific Regional development Authority as a case study.

5.5 Recommendations for policy and practice

The respondents suggested that adequate finances need to be provided by government to further the Regional Development Authorities' strategic plans. The Authorities need to ensure motivation of staff to ensure successful implementation of the Authorities' strategies. All Regional Development Authorities' work in togetherness with the Ministry to a common goal, the Authorities' activities should be guided by Ministry of Regional Development Authority vision through a well formulated Regional Development Policy which is currently lacking. The challenges experienced include a well defined mandate and goals for all Regional Authorities which the policy will be expected to address. Additionally, there should be cultural change of staff: culture of accountability; rewards should be more practical, additionally all Regional Development Authorities need to embrace technology to be able to efficiently achieve the strategic goals. All stakeholders including staff and the public need to be involved in the strategic process, moreover the lower level employees who ensure implementation of the strategies need to be involved from the formulation process to implementation. In addition, the Authorities should develop operational and tactical plans, information, education and communication strategy, clearly defined responsibility for implementation, key implementation tasks and activities. Put in place adequate information system to be used to monitor implementation and evaluation of all the projects. Above all, a clear method of evaluating performance and elaborate criteria of recruitment and appointment of Regional Development Authorities staff and chief executives should be put in place.

5.6 Limitations of the Study

This study involved collecting data from all the six Regional Development Authorities spread across the country. It was difficult collecting data as it involved a lot of traveling and costly.

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APPENDICES

Appendix: Questionnaire

PART A: RESPONDENTS PERSONAL INFORMATION

1. Name of Authority _____
2. Department _____
3. Position held _____
4. Number of years in the position _____

PART B: STRATEGIC MANAGEMENT PROCESS

1. Does your organization have strategic plans (s)

Yes No

If yes, (i) How many years do they cover

(a) 1-5 years (b) 6-10 years

(b) More than 10 years

(d) Others, please specify _____

c) When is your current strategic plan ending? _____

2. (a) Have you reviewed your plans since the inception of the organization

Yes No

(b) If yes how often

(i) Quarterly (ii) Annually (iii) Bi-annually

(iv) Every 3 Years

Others, please specify _____

3. Who formulates strategies in your organization?

a) Managing director

b) Top management

c) All employees participate

d) Consultants

e) Other

PART C: STRATEGY IMPLEMENTATION

I. Use a 5 point scale to rate the extent to which each of the following processes has been used in strategy implementation within your organization.

1= no effect at all, and 5 very effective.

Circle as appropriate

a) Direct supervision	1	2	3	4	5
b) Planning and control systems	1	2	3	4	5
c) Performance targets	1	2	3	4	5
d) Social/cultural process	1	2	3	4	5
e) Self control and personal motivation	1	2	3	4	5

II. Please answer the following questions by ticking in the box that best describes the extent to which each of the stated organizational factors has contributed to successful strategy implementation. Use a 5 point scale where 5 = very successful and 1 = not at all.

	Not at all			Very successful	
1. Change of structure	1	2	3	4	5
2. Change of culture	1	2	3	4	5
3. Leadership of the MD	1	2	3	4	5
4. Organizational procedures	1	2	3	4	5
5. Management skills	1	2	3	4	5
6. Financial resources	1	2	3	4	5
7. Reward policy	1	2	3	4	5

III. Please circle a number that indicates extent of implementation of the following strategies (1 for not implemented at all and 5 for fully implemented)

	Not at all			Fully implemented	
1. Marketing strategies	1	2	3	4	5
2. Financial strategies	1	2	3	4	5
3. Human resource strategies	1	2	3	4	5
4. Information technology strategies	1	2	3	4	5

- | | | | | | |
|--|---|---|---|---|---|
| 5. Research and development strategies | 1 | 2 | 3 | 4 | 5 |
| 6. Any other, please specify | 1 | 2 | 3 | 4 | 5 |
-
-

IV. Use a 5 point scale to rate the degree of effectiveness to which each of the following devices has been employed to supplement your basic organization structure.

1 = not effective at all, and 5= highly effective.

Circle as appropriate

- | | | | | | |
|--------------------------------|---|---|---|---|---|
| a) Special project teams | 1 | 2 | 3 | 4 | 5 |
| b) Cross-functional task force | 1 | 2 | 3 | 4 | 5 |
| c) Self-contained work teams | 1 | 2 | 3 | 4 | 5 |
| d) Process teams | 1 | 2 | 3 | 4 | 5 |
| e) Venture teams | 1 | 2 | 3 | 4 | 5 |
| f) Contact managers | 1 | 2 | 3 | 4 | 5 |

V. Use a 5 point scale to rate the extent to which each of the cultural practices below has negatively influenced the execution of strategy in your organization?

1=no effect at all. 5=very great effect

- | | | | | | |
|---------------------------------------|---|---|---|---|---|
| a) A politicized internal environment | 1 | 2 | 3 | 4 | 5 |
| b) Hostility to change | 1 | 2 | 3 | 4 | 5 |
| c) Promotion of traditional managers | 1 | 2 | 3 | 4 | 5 |
| d) Aversion to superior practices | 1 | 2 | 3 | 4 | 5 |

VI. To what extent has your organization undertaken each of the following tasks to build a spirit of high performance into the organization culture? Use the 5 point scale where 1=not at all, and 5= very great extent.

- | | | | | | |
|--|---|---|---|---|---|
| a) Treating employees with dignity and respect | 1 | 2 | 3 | 4 | 5 |
| b) Training each employee thoroughly | 1 | 2 | 3 | 4 | 5 |
| c) Encouraging employees to use own initiatives and creativity | 1 | 2 | 3 | 4 | 5 |

- | | | | | | |
|---|---|---|---|---|---|
| d) Setting reasonable performance targets | 1 | 2 | 3 | 4 | 5 |
| e) Granting employees autonomy to stand out and excel | 1 | 2 | 3 | 4 | 5 |

VII. Use the 5 point scale to rate how you find each of the environmental factors below impacting on strategy implementation in your organization.

5 = very great impact, and 1 = no impact at all.

Circle as appropriate

	No impact at all			Very great impact		
1. Economic factors	1	2	3	4	5	
2. Political factors	1	2	3	4	5	
3. Technological factors	1	2	3	4	5	
4. Legal factors	1	2	3	4	5	
5. Creditors	1	2	3	4	5	
6. Customers/clients	1	2	3	4	5	
7. Suppliers	1	2	3	4	5	

PART D: STRATEGY IMPLEMENTATION CHALLENGES

I. Organization`s today face various challenges in their pursuit to implement strategies. In your view, how do you rate the level in which these challenges affect the implementation of the documented strategies in your department/organization? Please tick the number on the right of each statement (1 for the least affected, and 5 for the extremely affected).

	No effect at all			Extremely affected		
Structural challenges						
1. Implementation took more time than was originally allocated.	1	2	3	4	5	
2. Monitoring, planning, coordination and sharing of responsibilities was not well defined.	1	2	3	4	5	
3. There was lack of focus and ability on the new strategy.	1	2	3	4	5	

- | | | | | | |
|--|---|---|---|---|---|
| 4. Competing activities and crises distracted attention from implementation the decisions. | 1 | 2 | 3 | 4 | 5 |
| 5. Insufficient flexibility of strategy | 1 | 2 | 3 | 4 | 5 |
| 6. Inadequate coordination and implementation activities. | 1 | 2 | 3 | 4 | 5 |

Operational challenges

- | | | | | | |
|---|---|---|---|---|---|
| 7. Lack of operational and tactical plans | 1 | 2 | 3 | 4 | 5 |
| 8. There was inadequate communication of the strategy to the staff. | 1 | 2 | 3 | 4 | 5 |
| 9. Lack of clear responsibility being fixed for implementation Resistance from lower levels | 1 | 2 | 3 | 4 | 5 |
| 10. Key implementation task and activities not sufficiently defined. | 1 | 2 | 3 | 4 | 5 |
| 11. Inadequate information systems used to monitor implementation. | 1 | 2 | 3 | 4 | 5 |

Cultural challenges

- | | | | | | |
|--|---|---|---|---|---|
| 12. Capabilities of employees involved were not adequate. | 1 | 2 | 3 | 4 | 5 |
| 13. Slow acceptability of the new strategy by the authority. | 1 | 2 | 3 | 4 | 5 |
| 14. Resources made available were inadequate. | 1 | 2 | 3 | 4 | 5 |
| 15. Resistance from lower levels | 1 | 2 | 3 | 4 | 5 |

- | | | | | | |
|---|---|---|---|---|---|
| 16. Inadequate training to the staff. | 1 | 2 | 3 | 4 | 5 |
| 17. Unsupportive organizational culture. | 1 | 2 | 3 | 4 | 5 |
| 18. Wrong organizational culture. | 1 | 2 | 3 | 4 | 5 |
| 19. Advocates and supporters of the strategic decisions left during implementation. | 1 | 2 | 3 | 4 | 5 |

Leadership challenges

- | | | | | | |
|--|---|---|---|---|---|
| 20. Leadership and direction provided by MD/departmental managers were not adequate. | 1 | 2 | 3 | 4 | 5 |
| 21. Insufficient human resource skills. | 1 | 2 | 3 | 4 | 5 |
| 22. Poor management of resources. | 1 | 2 | 3 | 4 | 5 |
| 23. Overall goals not sufficiently well understood by employees. | 1 | 2 | 3 | 4 | 5 |
| 24. Lack of stakeholder commitment | 1 | 2 | 3 | 4 | 5 |
| 25. Lack of senior management support | 1 | 2 | 3 | 4 | 5 |

Environmental challenges

- | | | | | | |
|---|---|---|---|---|---|
| 26. Major obstacles surfaced during implementation that had not been identified before hand | 1 | 2 | 3 | 4 | 5 |
| 27. Uncontrollable factors in the external environment had adverse impact on implementation | 1 | 2 | 3 | 4 | 5 |

28. Government interference and regulation.

29. Lack of regional development policy 1 2 3 4 5

Reward or motivational challenges

30. Lack of link between reward systems and strategy 1 2 3 4 5

31. Low morale due to poor pay for staff 1 2 3 4 5

31. Others, please specify and rate 1 2 3 4 5

.....
.....
.....

II. Are most of these challenges unique to your organization department or apply to others as well? Please tick appropriately

- a) Unique to my organization/department
- b) Apply to other organization/departments
- Explain your answer

III. Are the strategy implementation challenges mentioned above widespread among Regional Development Authorities like yours or are faced by only few of them?

- a) Are widespread
- b) Are faced only by few organizations

IV. What suggestion (s) would you give that will help RDAs to avoid or minimize strategy implementation challenges?

V. Please give any other comments you may have regarding the subject of this research

Thanking you in advance for your time and assistance