

**FACTORS INFLUENCING IMPLEMENTATION OF STRATEGIC PLAN AT THE
KENYA REVENUE AUTHORITY**

BY:

CHRISTINE WACHIRA

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DECLARATION

STUDENT’S DECLARATION

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

Signature..... Date

CHRISTINE MICHERE WACHIRA

D61/63764/2011

SUPERVISOR’S DECLARATION

This research project has been submitted for examination with my approval as the candidate’s University Supervisor.

Signature Date

MR. J KAGWE

LECTURER, UNIVERSITY OF NAIROBI

DEDICATION

This study is dedicated to my loving family.

ACKNOWLEDGEMENT

I would like to express my sincere thanks first to The Almighty God as my source of all inspiration in allowing me to undertake this project. Am also thankful to my supervisor Mr.Kagwe, lecturer at the University of Nairobi for supervising this research project. I am also grateful to my family for giving me the invaluable support to concentrate on this research.

ABSTRACT

The strategic plan in response to environmental plan might be obvious strategic decision making in firms. The objective of this study was to determine the factors influencing implementation of strategic plans at KRA. The case study design of research was used for this research. This case study used primary data. Primary data is defined as data used in research originally obtained through surveys, interviews and direct observation for the first time by the researcher. The instrument that was used to collect the data was an interview guide because it seeks to investigate a specific area of the organization. The respondents were the finance manager, strategic planning manager, human resource manager and the marketing manager. This is because these are the people in charge of implementation of strategies at KRA. Content analysis was used as it is considered as a relatively exact research method (based on the hard facts as opposed to Disclosure Analysis). From the findings the study found out that KRA top management is committed towards strategy implementation and that commitment affected to a very great extent the strategy implementation. The research found out that communication is a key factor on strategy implementation at KRA. The coordination of activities related to the strategy implementation in KRA was rated as good and the coordination of activities was found to affect strategy implementation to a great extent. It was further reported that organization culture of KRA affected strategy implementation. The study concludes that lack of proper knowledge poses a challenge in strategic plan implementation. The study recommends that because of the dynamic work environment that exists in most organizations, it is important for managers to have the skills to understand planned plan and its components for success.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Strategic plan implementation is the process that puts plans and strategies into action to reach goals. A strategic plan is a written document that lays out the plans of the business to reach goals, but will sit forgotten without strategic implementation. The implementation makes the company's plans happen. Strategic implementation is critical to a company's success, addressing the, who, where, when, and how of reaching the desired goals and objectives. It focuses on the entire organization. Implementation occurs after environmental scans, SWOT analyses, and identifying strategic issues and goals. Implementation involves assigning individuals to tasks and timelines that will help an organization reach its goals.

The main theory of this research is co-evolutionary theory, (Lewin & Volberda, 1999), indicates that as firms grow and evolve from small to larger and multi-divisional organizations, the strategy implementation methods also evolve simultaneously. The various strategy implementation models described by Bourgeois & Brodwin, (1984), are meant to meet the changing needs of firms as they evolve through various stages of the organisational life cycle, (Parsa, 1999). However, plans and strategies are rarely implemented as intended, (Lewin and Volberda 1999; Mintzberg, 1994).

To manage plan effectively, the Kenya Revenue Authority has adopted a more efficient corporate structure and systems as part of modernizing and improving business processes and infrastructure. More effort has been devoted to front-line services, compliance, and enforcement functions. Other strategies employed included; top management leading in the transformation process, phased approach in the implementation of plan, effective communication, creation of projects office under the Commissioner Generals office, linking business plans with corporate plan, centralization of support services, engagement of Treasury for goodwill and sponsorship, capacity building, increasing the span of benefits, rewards and introduction of recognition awards for good performance,, employee involvement and stakeholder involvement. The Authority has achieved an exemplary record of successfully mobilizing the bulk of Government revenue at minimal

cost by building and utilizing an enabled professional team that is self-driven, (KRA, 2013).

1.1.1 Strategic Planning

Strategic planning is an organization's process of defining its strategy or direction, and making decisions on allocating its resources to pursue this strategy, including its capital and people. It is the formal consideration of an organization's future course. It deals with what do we do, for who do we do it and how do we excel? In many organizations, strategic planning is reviewed as a process for determining where an organization is going over the next year or more typically 3 to 5 years, although some extend their vision to 20 years. In order for the organization to determine where it is going, the organization needs to know exactly where it stands, then determine where it wants to go and how it will get there. The resulting document is called strategic plan, (Wikipedia, 2009).

The aim of strategic plan has been to help organizations gain competitive advantages in their spheres of operations, and models have been developed for profit and nonprofit entities, (Michael, 2004). Healthfield, (2009), lists keys to strategic plan implementation for a business as relating to: active executive support, effective communication, employee involvement, organizational planning and competitive analysis and widespread perceived need for strategic planning. Koontz and Weihrich, (2008), argue that the enterprise profile is shaped by people, especially executives and their orientation and values are important for formulating the strategy.

1.1.2 Implementation of Strategic Plans

Implementing a strategy, according to Pearce and Robinson, (2007), is the process through which a set of agreed work philosophies is translated into functional and operational targets. Kotter and Best, (2006), support this position when they state that implementation addresses the, who, where, when and how, and it is thus the tactic that drives the strategy of the company. According to Hussey, (2000), implementation follows a six step process namely, envision, activate, install, ensure, and recognize. He further states that the implementation of strategy remains one of the most difficult areas of management. Its success depends both on the selection of an appropriate strategy and

converting that strategy into action. Kotter and Best, (2006), see the real challenge in strategic planning resting with turning tactic into a strategy for the company and doing this requires effective implementation. Implementation of the tactic drives the strategy of the company.

The selected strategy is implemented by means of programs, budgets, and procedures. Implementation involves organization of the firm's resources and motivation of the staff to achieve objectives. The way in which the strategy is implemented can have a significant impact on whether it will be successful. In a large company, those who implement the strategy likely will be different people from those who formulated it. For this reason, care must be taken to communicate the strategy and the reasoning behind it. Otherwise, the implementation might not succeed if the strategy is misunderstood or if lower-level managers resist its implementation because they do not understand why the particular strategy was selected.

Strategy is a vision for the organisation, owned by the organisation. Hence to succeed the whole organisation must engage with it and live and breathe it. Strategy should inform our operations, our structure, and how we go about doing what we do. It should be the pillar against which we assess our priorities, our actions and performance. When execution is brought into strategic planning we find that our strategy is weaved through our organisation, and it's from here that great leaps in growth and productivity can be achieved.

Strategy implementation is likely to be successful when congruence is achieved between several elements crucial to this process. Chandler, (2002) points out that while structure follows strategy, there is also evidence that structure influences strategy in certain situations. Hussey, (2000), explores the subject of successful strategy implementation by introducing the concept of “soft” and “hard” aspects of implementation. He argues that there are soft and hard elements which need to fit together if the strategy is to be implemented. For effective implementation of strategy, there is need for adequate

leadership in the organization. This will ensure that all the organizations effort is united and directed towards achievement of the organizations goals (Pearce & Robinson, 2007).

1.1.3 The Public Sector in Kenya

The public sector refers to the part of the economy concerned with providing various government services, (David & Carnevale, 2002). Strategic planning can help leaders and managers of public organizations to think, learn and act strategically, (Bryson, 2004). The idea of strategic planning emerged in corporations that wanted to have a strategy as to how to maximize their profits. Today, the motivation is manifold and differs according to the type of organization. The need for an organization to proactively respond to environmental challenges has now become imperative, as it offers the organization a competitive edge in today's business world. Thus, every organization regardless of its size must have some form of a strategic plan.

The public sector in Kenya has increasingly gained the attention of various developmental strategies especially in developing countries as a key sector for the advancements needed in the socio-economic emancipations of countries in Africa. The role of the state and its institutions has been identified as a key partner to the private sector in carrying out the developmental agenda. Indeed the public sector has been under scrutiny to adopt the approaches of the private sector towards growth and development in all sectors of the economy.

The public sector, in developing countries, can no longer approach developmental issues as before, especially, given the advancements in business management made in the world and the expected fast growths needed for quicker transformation in their economies. As a result, various development experts have now resolved to impress on governments to strategically plan and roll out a coordinated and comprehensive strategy to harness their business potential as a pivot for growth.

In recent times Government of Kenya has embarked on public sector management reforms with the view to improving their operations and creating value for their operations. As a result, a Ministry of Public Sector Reforms was created to drive this agenda and work closely with the National Development Planning Commission (NDPC)

mandated to coordinate the development framework of the Country. The objective of government planning takes its source from its mandate of effective and efficient management of corporations with a view to promoting and protecting the interest of the people.

1.1.4 Kenya Revenue Authority (KRA)

Kenya Revenue Authority (KRA) is a state corporation established by an act of Parliament of July 1st, 1995 Cap 469 as a central body. The authority is charged with the responsibility of collecting revenue on behalf of the government of Kenya. The authority is under the general supervision of the Minister of Finance (Treasury). The Authority's mandate and core business is to assess, account, administrate, and enforce all the laws relating to revenue. KRA's role is assessment, collection, administration and enforcement of laws relating to revenue; restoring economic independence by elimination of budget deficits and creating organisation structures that maximize revenue collection.

KRA has faced several challenges, both external and internal factors, ranging from political, technological, legal and social. These include, among others, the ever-widening informal sector and technological advancement, which have led to increased cases of tax avoidance and evasion. Other challenges are related to economic integration and regional trading blocs; the HIV/AIDS pandemic have also contributed to erosion of the tax base. In addition Departments were operating autonomously and lacked managerial cohesiveness and personal approach to customer needs. Income Tax and Vat were under the Ministry of Finance while the road transport department (RTD) was under the Ministry of Roads.

1.2 Research Problem

Corporate organizations are faced with the challenges of implementation. Wooldridge and Floyd, (1990), emphasized that the strategy implementation could be more difficult than thinking up a good strategy. According to Mintzberg (1987), a strategy has little effect on an organization's performance until it is implemented. An unimplemented strategic plan kept in a cabinet is a great source of employee negativity (Healthfield, 2008). For successful implementation of strategic plans, organizations need to effectively

handle the key sets of relationships that generally do affect the successful implementations (Horton, 1986).

Kenya Revenue Authority has comparative and competitive advantage in skill drive service supply on account of her strategic location and relatively well developed human resource base, and being the only major government agent of revenue collection. The growth and development of the authority has however been hampered with challenges some of which include Government policies and regulations, restricting market access in areas of interest to KRA, treatments that give priority to nationals in service delivery. Less developed basic ICT infrastructure, low internet penetration and inadequate expertise in ICT and global financial crisis from other countries are some of the challenges that are faced by KRA in the globalized world

Previous research on strategic planning has tackled various organizations other than public sector. For instance, Mehdi Zaribaf (2010), carried out a study on an Effective factors pattern affecting implementation of strategic plans. Sharbani (2001), carried out a study on strategic planning practices within hotels and restaurants in Nairobi. Sagwa (2002), studied the pharmaceutical manufacturing firms, Wanjohi (2002), covered the insurance firms in Kenya, Bett (2003), studied the tea manufacturing companies in Kenya while Busolo, (2003), covered the motor vehicle franchise holders in Nairobi. Previous research on strategic implementation by Kenyan companies has been done. Karimi, (2007), carried a research on challenges of strategic implementation in Mathare for a slum upgrading in Nairobi, Kamuren (2006), did a survey on licensing strategy and competitive advantage in the vehicle tracking industry, A case of Car Track (K) LTD. Ndungu (2006), carried out a research on sustaining a competitive advantage at British Airways World Cargo – Kenya. Kung'u (2007), carried out a survey on strategy implementation challenges in the main stream churches in Kenya while Mecha (2007), did a study of strategy choice at the Kenya Pipeline Company using ansoff's grand strategies matrix.

Previous researches done on KRA include a case study on the effects of internal controls on revenue collection. Mwachiro (2011) & Njogu (2012), did a study on the Strategic

responses by Kenya Revenue Authority to the economic environment and plans to improve tax administration in Kenya. According to the researcher no research has been done on the factors affecting the implementation of strategic plan at Kenya Revenue Authority. Therefore this research sought to answer the following research question, what are the factors influencing implementation of strategic plans at Kenya Revenue Authority?

1.3 Objectives of the Study

The objective of this study was to determine the factors influencing implementation of strategic plans at KRA.

1.4 Value of the Study

This study is going to be of significance to the academicians, researchers and scholars as it will highly contribute knowledge in the area of strategy planning process implementation in organizations and also suggest areas for further studies.

Policy makers will also be in a better position to understand the loopholes and weaknesses of the strategic planning in corporate organizations. This study will also form a rich database of information that other researchers seeking the factors affecting the implementation of strategic plan at KRA.

The findings of this study will be useful to corporate organizations. It will assist in identifying the factors influencing implementation of strategic plans in corporate organizations in Kenya. It will aid in identifying areas of improvement, plans in their operations, systems and hopefully also lead to better decision making. More specifically, this will enable the corporate organizations put measures that will ensure transparency, efficiency, and effectiveness in their strategic plans and sealing of loophole in the implementation.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Great strategies are worth nothing if they cannot be implemented, Roper & Okumus, (2000). It can be extended to say that better to implement effectively a second grade strategy than to ruin a first class strategy by ineffective implementation. Less than 50% of formulated strategies get implemented, every failure of implementation is a failure of formulation. The utility of any tool lies in its effective usage and so is the case with strategy. Strategy is the instrument through which a firm attempts to exploit opportunities available in the business environment. The performance of a firm is a function of how effective it is in converting a plan into action and executing it. Thus implementation is the key to performance, given an appropriate strategy.

In literature, implementation has been defined as “the process by which strategies and policies are put into action through the development of programs, budgets and procedures”. This involves the design or adjustment of the organization through which the administration of the enterprise occurs. This includes plans to existing roles of people, their reporting relationships, their evaluation and control mechanisms and the actual flow of data and information through the communication channels which support the enterprise.

2.2 Theoretical basis of the study

The main theory of this research is co-evolutionary theory. Chandler, (1962), and Andrews, (1971), created a view that strategy is made at the top and executed at the bottom, further reinforcing the fields focus on the top management while implementation was seen as secondary, (Floyd & Woolridge, 1996).

The emergence of corporate planning in the 1970s further heightened the disconnect between formulation and implementation, as operating decisions were made as if plans did not exist. Key insight was that plans were ineffective and line managers needed to be involved in the process, (Floyd & Woolridge, 2000). The development of analytical tools like BCG, PIMS further reinforced the notion that strategy was an exclusive top management function. The development of the strategic management paradigm

delineated the formulation and implementation components of strategy, identified roles for all managers except the lowest operating level in the formulation process. Implementation was design of standards, measures, incentives, rewards, penalties, and controls, (Floyd & Woolridge, 1996). Managers were thought to be more as obstacles. It was, Mintzberg and Waters (1985), whose view that strategy is a pattern in a stream of decisions, that expanded the role of other than the top management in strategy making since strategies could be emergent. Burgelman (1983), integrated both the top down and bottom up view of strategy by introducing the concept of autonomous development of strategy in addition to the normal intended strategy, reinforcing the observations of Bower, (1970), who stated that the top management had little control on what projects get pushed for approval.

Despite these studies; till the 1990's strategy formulation and implementation were seen as separate items, with a distinct focus on strategizing (achieving the fit between the environment and the plan) while effective implementation of it was taken for granted. Mintzberg (1978), Miller & Frieson (1980), Pettigrew (1985), brought into focus the gaps between formulation and implementation. This brought into prominence the research stream concentrating on study of plan. This also challenged the paradigm of explicit formulation and implementation, as strategies could now be emergent, unrealized. It also strengthened the tiny but growing band of process researchers who were looking at the role of power, culture as shapers of strategy outcomes.

Research on strategy implementation, has been taken by few researchers in form of development of frameworks, (Hrebiniak & Joyce, 2005; Bourgeois & Brodwin, 1984; Skivington & Daft, 1991; Miller, 1997; Okumus, 2001; Joyce & Hrebiniak, 2005), and in the form of evaluation of individual factors affecting the implementation process like- the interests of middle managers, (Guth & Macmillan, 1986), or the usage of implementation tactics, (Nutt, 1987).

Thus it can be seen that the evolution of research on strategy implementation is directly linked with the evolution of strategy research and the emphasis on implementation has been seen to be dependent on the dominant approach (perspective) guiding a researcher.

2.3 Concept of Strategy

Porter (1998), describes competitive strategy as “the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs” and further explains “Competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition.” This involves identifying sources of competition in the ever-changing environment then developing strategies that match organizational capabilities to the plans in the environment. According to Porter (1998), “competitive strategy is about being different”. This means deliberately performing activities differently and in better ways than competitors. From a strategy decision to implementation and here the concept of culture enters into the debate, or culture theorists dress “strategy” (Sackmann, 1991). Hinterhuber & Popp (1994,) note the relevance corporate culture and vision to the strategy process. Mintzberg’s (1987) development of his metaphor of “craft” involves a concern for how innovation feeds into strategy. The classical model assumes leadership from the top, but the issue of “leadership” has become problematical and its characteristics debated in “emergent” theory, counterbalancing questions around the cultural dissemination of strategy (Quinn, 1982, Clegg et al., 1999).

Ansoff (1999), views strategy in terms of market and product choices. According to his view, strategy is the “common thread” among an organization’s activities and the market. Johnson & Scholes, (1998), define strategy as the direction and scope of an organization that ideally matches the results of its changing environment and in particular its markets and customers so as to meet stakeholder expectation. According to, Jauch & Glueck (1984), strategy is a unified and integrated plan that relates the strategic advantages of the firm to the challenges of the environment and that is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization.

Mintzberg & Quinn (1993), perceive strategy as a pattern or a plan that integrates organization’s major goals, policies and action into a cohesive whole. Porter, (1996), has defined strategy as a creation of a unique and vulnerable position of tradeoffs in competing, involving a set of activities that neatly fit together, that are simply consistent, reinforce each other and ensure optimization of effort. Pearce and Robinson (2007),

defines strategy as the company's "game plan" which results in future oriented plans interacting with the competitive environment to achieve the company's objectives. This definition of strategy is important in this study as it reflects competitiveness in the environment and the game plan aspects, which organizations put into place to be able to compete effectively. The major tasks of managers is to ensure success (and therefore) survival of the companies they manage. Strategy is useful in helping managers tackle the potential problems that face their companies. Strategy is a tool that offers significant helps for coping with turbulence confronted by firms.

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2.4 Factors Affecting Implementation of Strategic Plans

The most important factor when implementing a strategy is the top level management's commitment to the strategic direction itself. Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process. This demonstrable commitment becomes, at the same time, a positive signal for all the affected organizational members, (Rapa & Kauffman, 2005).

Meanwhile, Bartlett & Goshal (1996), talk about middle managers as threatened silent resistors whose role needs to plan more towards that of a "coach", building capabilities, providing support and guidance through the encouragement of entrepreneurial attributes. So, if they are not committed to performing their roles the lower ranks employees will not be provided support and guidance through encouragement of entrepreneurial attributes.

Chakravarthy & White (2001), suggest that education and training policies depend on a firm's management culture and forms of management-led organizational plan. While such policies are affected by a firm's market, production technologies and strategic goals, managers have the discretion to pursue varied strategies regarding three issues: entry-level education and training, employee development, and company-school relations.

Another factor in strategy implementation appears to be more cultural and behavioral in nature, including the impact of poor integration of activities and diminished feelings of ownership and commitment, (Aaltonen & Ikåvalko, 2002). Corboy & O'Corrbui, (1999), meanwhile, identify the deadly sins of strategy implementation which involve: a lack of understanding of how the strategy should be implemented; customers and staff not fully appreciating the strategy; difficulties and obstacles not acknowledged, recognized or acted upon; and ignoring the day-to-day business imperatives.

According to Boyd (1992), ecology and culture are the two elements whose interrelatedness and interaction creates the context in which school improvements efforts are undertaken. Attitude and beliefs, he argues, influence how teachers behave. In addition, Rap (2004), argues that each organization possesses its own culture i.e. a system of belief and values. The corporate culture creates and in turn, is created by the quality of the internal environment. Consequently, culture determines the extent of cooperation, degree of dedication, and depth of strategic thinking within an organization. According to Rap, (2004), the organization and its cultural values have to be unfrozen to understand why dramatic plan is even necessary.

According to Rap (2004), two aspects of an organization must be considered-its structure and its decision flow processes. Structure deploys accountabilities so the organization can achieve its goals and objectives and ultimately, its mission. The enterprise's mission and goals are the general and specific accountabilities of top management. The goals then are subdivided into objectives that are delegated to the next level of executive management. In effect, a strategy defines both the firm's direction and top management's job.

According to Schein (1985), structure is the basic assumptions and beliefs shared by the member of an organization regarding the nature of reality, truth, time, space, human nature, human activity and human relationships. Among the norms it includes are; task support norms, task innovation norms, social relationship norms, and personal freedom norms. Among the ritual are issues such as passage, degradation, enhancement, renewal, conflict resolution, and integration

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter covered the research design, the respondents, data collection, and data analysis.

3.2 Research Design

Orodho (2003), defines a research design as the scheme, outline or plan that is used to generate answers to research problems. According to Kombo & Tromp (2006), research design can be thought of as the structure of research.

The case study design of research was used for this research. According to Lamnek (2005), the case study is a research approach, situated between concrete data taking techniques and methodological paradigms.

3.3 Data Collection

This case study used primary data. Primary data is defined as data used in research originally obtained through surveys, interviews and direct observation for the first time by the researcher. This case study used primary data that was collected through personal interviews.

The instrument that was used to collect the data was an interview guide because it seeks to investigate a specific area of the organization. The interview guide was developed using semi-structured interview questions. The interview method used was face-to-face interview.

The respondents were the finance manager, strategic planning manager, human resource manager and the marketing manager. This is because these are the people in charge of implementation of strategies at KRA.

3.4 Data Analysis

Content analysis was done to analyze the data collected. Holsti (1969), offers a broad definition of content analysis as any technique for making inferences by objectively and systematically identifying specified characteristics of messages.

Content analysis was used as it is considered as a relatively exact research method (based on the hard facts as opposed to Disclosure Analysis). Content analysis also allows for both quantitative and qualitative operations.

CHAPTER FOUR

DATA ANALYSIS FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The study findings are presented on the factors influencing implementation of strategic plans at KRA.

4.2 Background of the interviewees

In-depth information was gathered from the finance manager, strategic planning manager, human resource manager and the marketing manager. This is because these are the people in charge of implementation of strategies at KRA. There were two female and two male interviewees. All the interviewees had university level education. The interviewees had worked in KRA for more than 10 years, and some between 5 to 10 years.

4.3 Findings of this study on the factors influencing implementation of strategic plans at KRA

On the question of if the top level management committed to implementing new strategies, the respondents agreed that the top level management was committed to implementing new strategies. This is because; the most important factor when implementing a strategy is the top level management's commitment to the strategic direction itself. Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process. The research finding agree with those of Rapa & Kauffman, (2005), who said that demonstrable commitment becomes, at the same time, a positive signal for all the affected organizational members.

On the question of if the culture and behavioral nature of KRA affect the implementation of strategic plans; the study found that organization culture of KRA affected strategy implementation. The respondents were of the opinion that among the organisational culture factors that affects strategy implementation are, how managers make decisions, leadership style of managers and the dominant values and beliefs. Poor organization rewarding culture, poor structure of office, inadequate staff, and poor regional

representation were cited by the respondents as other challenges that KRA faces in its strategy implementation efforts. These findings are consistent with those of Rap, (2004), who argues that each organization possesses its own culture i.e. a system of belief and values. The corporate culture creates and in turn, is created by the quality of the internal environment. Consequently, culture determines the extent of cooperation, degree of dedication, and depth of strategic thinking within an organization.

On the question of how does the structure at KRA affect the implementation of strategic plans, the respondents indicated that to a great extent a well-designed organization is flexible for the future as well as fit for the present and technical system is an influencing factor on the organizational structure and its used to produce output to a moderate extent. Also organizational structures rarely result from systematic, methodical planning to a moderate extent; age and size of the organization are fundamental bases for organizational structure to a little extent. This relates to the study by Gladwell & Stephen, that a well-structured, multi-channel communication process was essential in supporting implementation of strategic plans and increasing the leaders' credibility.

The respondents were asked on what they recommend to improve strategic implementation practices at KRA. According to the findings, the respondents recommended that because of the dynamic work environment that exists in most organizations, it is important for managers to have the skills to understand strategic plans and its components for success. The selection of organizational structure should be made consistent over time and that the organization's complexity and size should be considered appropriately throughout its life cycle since it affect performance.

Further the respondents recommended that there should be development of a strategic plan process to ensure appropriate focus on both the pre- and post-implementation challenges and should build employee trust and gain their commitment to the core values and objectives of the organization.

Finally, the respondents were asked in their opinion what influences the strategic planning practices at KRA. According to the findings, the respondents indicated organizational structure, ICT, organizational culture and managerial skills as some of the

factors that influences strategic planning practices at KRA most of which were covered in this study.

4.4 Discussion

Organizations must constantly be aligned with their environments by either reacting to external events or by proactively shaping the businesses in which they operate. Organizations must continuously engage in strategic renewal (De Wit & Meyer, 2004). This is the process of constantly enacting strategic plans to remain in harmony with the external conations. These actions are therefore closely tied to the organizations environment. This was also connected to the respondents as they indicated that by providing timely services and innovative product. Through provision of products and services, through corporate social responsibility. Through coordinating market survey periodically and by introduction of pocket friendly interest rates.

Huczynski & Buchanan (2003), say that the source of strategic plan can be internal or external. It comes in form of a trigger of any disorganizing pressure either arising from outside or inside the organization. This indicates that current arrangements, systems, procedures, rules and other aspects of organization structure and process are no longer effective. The factors that inhibit the strategic plan process the respondents included among others political influence, competition from other financial institutions, high cost of insurance premium and external insurance, resistance to plan by the staff and directors and funding/ resources limitation.

According to Pierce & Robinson (2003), a key concern of top management in implementing strategy, particularly if it involves a major plan, is that the right managers are in the right positions for the new strategy. Confidence in the individuals occupying pivotal managerial positions is directly and positively collated with the top management's expectation that the strategy can be successfully executed. Leadership influences the strategic plan management at Kenya Revenue Authority. The respondents indicated that leadership provides directions. Undertakes evaluation to ensure plan in management takes place as planned. It also interferes with implementation. Lack of exposure from

directors have adversely affected effective plan. Ineffective leadership still remains a challenge.

Plan processes are only successful if they fit a company's current culture. Traditions, norms and shared values within a company must be included the deliberations regarding the selection of a plan program, (McAuley et al., 2000). At Kenya Revenue Authority, the culture is sometimes not consistent. Regulatory requirements have made plan process from institution culture.

One key factor for implementing plan is having the right people to sell, implement, and drive the program from start to finish. One of the reasons plan processes fail is because companies underestimate the importance of the individuals involved in the plan and their interaction Jeff, (2007).

CHAPTER FIVE: SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the findings from chapter four, and it also gives the conclusions and recommendations of the study based on the objectives of the study.

5.2 Summary of the Findings

The study found out that the top management is committed towards strategy implementation plans. The commitment by the top management affected the strategy implementation. The study also found out that the top management's commitment to the strategic direction itself is the most important factor. The managers must not spare any effort to persuade the employees of their ideas for strategy implementation to be effective and also the top managers must demonstrate their willingness to give energy and loyalty to the implementation process for it to succeed. It also found out that lack of manager's commitment to performing their roles leads to the lower ranks of employees missing support and guidance through encouragement of entrepreneurial attributes and that lack of top management backing being the main inhibiting factors. The study found that failure by the management to empowerment lower rank employees through training, lack of recognition of the employees contribution on the strategy implementation, poor public relation, and poor publicity were other factors that strategy implementation face.

The study found out that communication is a key factor on strategy implementation at KRA and that this affects implementation to a great extent. The study also showed that an integrated communications plan must be developed at the organization to enhance strategy implementation, and that it is essential both during and after an organizational plan to communicate information about organizational developments to all levels in a timely fashion. It also found that the organization is faced with the challenge of lack of a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy and that lack of communications causes more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees. Other challenges as identified by the study

are lack of internet access for some stakeholders, opportunities offered by Kenya Revenue Authority are not well publicized for the interest stakeholder uptake, failure to communicate frequently with the stakeholder creating a gap in the in the information flow and lack of resources to set up good communication infrastructure.

According to the study the respondents rated the coordination of activities related to the strategy Implementation in KRA as good and were of the opinion that coordination of activities affects strategy implementation to a great extent. It further found out that coordination is essential to ensure that people across the organization know what to do and to ensure that they stay focused on the key targets under the everyday pressures. The interviewee also responded that strategic control systems provides a mechanism for keeping today's actions in congruence with tomorrow's goals, addition key tasks are well defined in enough detail and information systems are adequate at Kenya Revenue Authority resulting in successful strategy implementation and silent killers of strategy implementation comprise unclear strategic intentions and conflicting priorities and weak co-ordination across functions. Also the effectiveness of coordination of activities is a problem in most of the firms and distractions from competing activities in some cases as shown by the study.

This study found out the organization culture of Kenya Revenue Authority affected strategy implementation with the respondent expressing that this affected implementation of the strategy to a great extent. The study showed that among the organisational culture factors that affects strategy implementation are, how managers make decisions, leadership style of managers and the dominant values, beliefs and the norms. It also demonstrated that challenges of successful implementation results from lack of cultivation of strong cultural value to meet the changing organisational needs. Other challenges were identified as poor organization rewarding culture, poor structure of office, inadequate staff and poor regional representation.

5.3 Conclusion

The study concludes that commitment by the top management affects the strategic plan implementation. It further concludes that lack of manager's commitment to performing their roles leads to the lower ranks of employees missing support and guidance through

encouragement of entrepreneurial attributes and that lack of top management backing being the main inhibiting factors to strategy implementation. The study also concluded that communication is a key factor on strategy implementation at KRA and that communication process affects implementation of the strategy. It also concluded that lack of a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy and that lack of communication causes more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees.

It was also concluded that coordination of activities affects strategy implementation at KRA and that coordination is essential to ensure that people across the organization know what to do and to ensure that they stay focused on the key targets under the everyday pressures. Further it can be concluded that strategic control systems provides a mechanism for keeping today's actions in congruence with tomorrow's goals, addition key tasks are well defined in enough detail and information systems are adequate at KRA resulting in successful strategy implementation and silent killers of strategy implementation comprise unclear strategic intentions and conflicting priorities and weak co-ordination across functions. Also the effectiveness of coordination of activities is a problem in most of the firms and distractions from competing activities in some cases as shown by the study.

Finally the study concluded that organization culture of KRA affected strategy implementation. From the study it was concluded that among the organisational culture factors that affects strategy implementation are, how managers make decisions, leadership style of managers and the dominant values, beliefs and the norms.

The study concludes that lack of proper knowledge poses a challenge in plan management to a great extent while compatibility of the different systems causes a challenge in management to a moderate extent .Also installation of new systems poses challenge in the plan management to a moderate extent.

Further the study concludes that institution's culture is consistent with the organisational performance strategy to a great extent while institution's culture is a powerful driving force in implementation of plan management to a moderate extent and that institution's structure provides overall framework for strategy implementation to a little extent.

Additionally the study concludes that to a great extent the experience of the managerial staff contribute to reforms in organisational performance in KRA while temperament as a characteristic contribute to a moderate extent the reforms in organisational performance in KRA .Also education background contribute to a moderate extent.

Finally the study concludes that to a great extent , a well-designed organization is flexible for the future as well as fit for the present while to a moderate extent ,technical system is an influencing factor on the organizational structure and its used to produce output .Also structures rarely result from systematic ,methodical planning to a moderate extent and that to a little extent, age and size of the organization are fundamental bases for organizational structure .

5.4 Limitation of the study

The major limitation was the fact that the study was only on one organization hence no generalization. The nature of the departments in the Kenya Revenue Authority was also another limitation. The reason being that Kenya Revenue Authority has different departments spread all over the country. Respondents were hesitant to reveal much information due to confidentiality policy of the company.

5.5 Recommendation

The study recommends that because of the dynamic work environment that exists in most organizations, it is important for managers to have the skills to understand planned plan and its components for success. The selection of organizational structure should be made consistent over time and that the organizations complexity and size should be considered appropriately throughout its life cycle since it affect performance.

The study also recommends that in order to ensure a professional approach to implementing plan interventions, and specifically to the plan management aspects

involved, an organization development role is needed in the central office HR structure. ICT access in Kenya should be improved well-researched and reached to levels of maturity since it impacts on enterprise performance and economic growth. Mobile commerce should be taken to maturity, since literature posit that the pervasiveness of cellular technologies make m-commerce viable.

Further the study also recommends that there should be development of a plan management process to ensure appropriate focus on both the pre- and post-implementation challenges and should build employee trust and gain their commitment to the core values and objectives of the organization.

Additionally the study recommends that the senior managers should ensure that the lower level managers understand the plan programs, as this would help them to elicit the subordinates' support.

Finally the study recommends organizational commitment and organizational culture of employees within the organization should be diagnosed. This is to improve commitment within the organization so that employees can identify with their organization and its goals, and deliver the services more effectively and efficiently.

5.6 Recommendation for further study

This study has investigated the factors influencing implementation of strategic plans at KRA. Further a study should also be carried out on influence of managers in an organization. Additionally a study should be carried out on factors that influence strategic plan management in an organization.

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APPENDICES

Appendix I: Interview Guide

Factors influencing implementation of strategic plan at the Kenya Revenue Authority

Part A: Bio Data

1. Gender

Male Female

2. Level of education

Secondary College University

Other specify

3. Position in the Organization.....

4. No of years worked in the organization.....

5. What is the total number of employees in your department

Factors Influencing Implementation of Strategic Plans

6. In your opinion, is the top level management committed to implementing new strategies?

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7. How does the culture and behavioral nature of KRA affect the implementation of strategic plans?

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10. How does the structure at KRA affect the implementation of strategic plans?

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11. In your opinion what influences the strategic planning practices at KRA?

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12. What do you recommend to improve strategic implementation practices at KRA?
