TOP MANAGEMENT TEAM AND STRATEGIC PLANNING PRACTICES AT JHPIEGO KENYA

MOURINE MUSEE

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DECLARATION

This project is my original work and has not been presented in any other university or any institution of higher learning for an award.

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D61/60130/2013

The project has been submitted for examination with my approval as University Supervisor.

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DEDICATION

This project is dedicated to my dear mother Mary Mutisya for her unending love and for all the sacrifices she has made to ensure that I am educated and get quality of life. To my other family members and friends, I say thank you for your support. I am truly grateful.

ACKNOWLEDGEMENTS

This work, as is true for all significant efforts in life, is a collaborative achievement. Much appreciation goes to my supervisor Dr Zack Awino, for his wise guidance and advice all through the many steps to the final product of this research project. Extension of the same goes to Mr. Steven Kimetu who made great contributions to the research study. More appreciation goes to Jhpiego EMT for making time to respond to my interview questions despite their tight schedules, this has helped in expediting completion of this research study. I also want to thank all the University of Nairobi fraternity, especially my lecturers from the School of Business, Patrick Nthenge and all the staff in the MBA office. The foundation that you have given me is, but superb. Thank you very much.

I cannot forget to appreciate the support I got from my fellow classmates. The many group discussions we have ever had unleashed and unlocked a lot of potential in me. The morale we gave to each other, the diverse academic assortment in the team and, the culture of learning we shared, we will always evoke eventful memories of cohesive lot, if not a cohort that we have been.

Last but not the least; I sincerely appreciate the support of my close family members and friends, who bore the blunt of my incessant absence throughout the research study period.

ABBREVIATIONS AND ACRONYMS

CEO : Chief Executive Officer

CFO : Chief Finance Officer

COO : Chief Operations Officer

RBV : Resource Based View

NGO : Non-Governmental Organisations

INGO : International Nongovernmental Organisations

HIV : Human Immunodeficiency Virus

TB : Tuberculosis

IBM : International Business Machines

IGOs : Intergovernmental Organisations

CBOs : Community Based Organisations

TMT : Top Management Team

R&D : Research and Development

SBUs : Strategic Business Units

EMT : Executive Management Team

MBA : Master of Business Administration

SPSS : Statistical Package for the Social Sciences

HR : Human Resources

USAID: U.S. Agency for International Development

UET : Upper Echelons Theory

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ABSTRACT

Strategic planning practices involve the formulation and implementation of the major goals and initiatives taken by a company's top management on behalf of owners, based on consideration of resources and an assessment of the internal and external environments in which the organization competes. Executive management accomplishes the day-to-day details, including: instructions for preparation of department budgets, procedures, schedules; appointment of middle level executives such as department managers; coordination of departments; media and governmental relations; and shareholder communication. Helpful skills of top management vary by the type of organization but typically include a broad understanding, competition, world economies, and politics. Strategic planning is viewed as zeroing in on decision-making, information, and the future. Jhpiego, an affiliate of Johns Hopkins University, is an international NGO supporting health programs to improve the health of women and their families. The research objective of this study is to determine the impact of Top Management Team on Strategic Planning Practices. The foundation of this study will be based on three theoretical frameworks namely; Resource Based View, Upper Echelons Theory and Dynamic Capabilities Theory. The study is qualitative and it involves an in-depth investigation of top management team and how they influence planning and implementation of strategy in an organization. The study made use of both secondary and primary data. Primary data was obtained from Jhpiego Kenya Executive Management Team (EMT) through interviews. Secondary data was obtained from literature from different search engines and Jhpiego library. For this study Content analysis was used in data analysis and presentation since the data collected is qualitative in nature. A data entry was prepared using SPSS for the closed ended questions. Since they were pre-coded, the closed ended questions were captured in the data entry template and simple statistical analyses done. The findings were therefore transferred to Microsoft Excel sheets for further analysis into graphical representations which informed the background characteristics of the study respondents. The TMT is very key in the strategic planning process of any organization. When the processes are not well thought and planned then the organization is bound to hit a dead end and therefore end up missing on the realization of the organizations goals and objectives. Despite the many challenges to strategy implementation the respondents stated a number of remedial measures to counter these challenges. There were indications that the leader must provide effective leadership through his team of implementation; clear roles and responsibilities should be assigned to individuals and; the organization should ensure that it focuses on core areas either for implementation or for New Business Development. It is hoped this study will trigger the policy makers to start analysis on what the role of TMT is on strategic planning process for smooth strategy formulation and implementation. The study will be useful in filling the knowledge gaps of the theoretical foundations used in this study which include the Resource Based View, Upper Echelons Theory and Dynamic Capability Theory. Further the findings of this study will help other Jhpiego country offices to understand the importance of having TMT at the forefront in the strategic planning process and more so their role during the implementation stage.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Top Management Team refers to senior-level leaders including presidents, owners, and other high ranking executives (CEO, CFO, COO etc.) and senior-level managers. Several researchers have emphasized the effect of top management on strategy implementation (Hrebiniak & Snow, 1982; Smith & Kofron, 1996; Schmidt & Brauer, 2006; Schaap, 2006). Most of them point out the important figurehead role of top management in the process of strategy implementation. Schmidt and Brauer (2006), for example, take the board as one of the key subjects of strategy implementation and discuss how to assess board effectiveness in guiding strategy execution.

Hrebiniak and Snow (1982) find that the process of interaction and participation among the top management team typically leads to greater commitment to the firm‟s goals and strategies. This, in turn, serves to ensure the successful implementation of the firm‟s chosen strategy (cited in Dess & Priem, 1995). Smith and Kofron (1996) believe that top managers play a critical role in the implementation – not just the formulation – of strategy.

Strategic planning as defined by Peter Drucker (1993) is the continuous process of making entrepreneurial decisions systematically and with the greatest knowledge of their futurity, organizing systematically the efforts to carry out these decisions and measuring the results against the expectations through organized feedback. It is a means of administering the formulation and implementation of strategy. It is analytical in nature and refers to formalized procedures to produce the data and analyses used as inputs for strategic thinking, which synthesizes the data resulting in the strategy Nag, R.; Hambrick, D. C.; Chen, M.-J (2007).

The main theoretical perspective is Resource-Based View (RBV) Wernerfelt, B., 1984. RBV explains that a firm’s sustainable competitive advantage is reached by virtue of unique resources being rare, valuable, inimitable, non-tradable, and non-substitutable, as well as firm-specific (Barney 1999 cited by Finney et al. 2004, p. 1722, Makadok 2001, p. 94). Dynamic Capability is defined by Teece et al. (1997) as "the firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments."

Dynamic capabilities, by contrast, refer to "the capacity of an organization to purposefully create, extend, or modify its resource base" (Helfat et al., 2007). Upper echelons theory explicitly set forth by Hambrick, Donald C. (born 1946) and Phyllis A. Mason (1984), is the idea that top executives view their situations through their own highly personalized lenses. These individualized construals of strategic situations arise because of differences among executives in their experiences, values, personalities and other human factors.

Jhpiego Kenya, an international NGO affiliated to Johns Hopkins University in the United States of America. The NGO is supporting health programs in Kenya to improve the health of women and their families. Jhpiego-Kenya is spread in 24 counties and works in close collaboration with both the Ministry of Medical Services and the Ministry of Public Health and Sanitation in the areas of HIV, Malaria, TB, Maternal, Newborn and Child Health, Reproductive Health and Family Planning. The headquarters office in Kenya is located on 14 Riverside off Riverside drive.

1.1.1 Concept of Top Management Team

Strategic planning practices involve the formulation and implementation of the major goals and initiatives taken by a company's top management on behalf of owners, based on consideration of resources and an assessment of the internal and external environments in which the organization competes. Strategy is defined as "the determination of the basic long-term goals of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals." Strategies are established to set direction, focus effort, define or clarify the organization, and provide consistency or guidance in response to the environment (Chandler, Alfred 1962).

Hrebiniak and Snow (1982) find that the process of interaction and participation among the top management team typically leads to greater commitment to the firm’s goals and strategies. This, in turn, serves to ensure the successful implementation of the firm’s chosen strategy (cited in Dess & Priem, 1995). Smith and Kofron (1996) believe that top managers play a critical role in the implementation – not just the formulation – of strategy.

Executive management accomplishes the day-to-day details, including: instructions for preparation of department budgets, procedures, schedules; appointment of middle level executives such as department managers; coordination of departments; media and governmental relations; and shareholder communication.

Helpful skills of top management vary by the type of organization but typically include a broad understanding, competition, world economies, and politics. In addition, the CEO is responsible for executing and determining (within the board's framework) the broad policies of the organization.

1.1.2 Strategic Planning Practices

Strategy is positioning a business in a given industry structure, (Porter 1980, 1985). Strategic planning is to envision the future and develop plans for interacting with the competitive environment to achieve that future, (Pearce and Robinson, 1995, p.3). In management, strategy is a unified, comprehensive, and integrated plan designed to achieve a firm’s objectives (Glueck 1980:9). The primary goal of strategic planning is to guide a firm in setting out its strategic intent and priorities and focus itself towards realizing the same (Kotter, 1996).

Strategic planning is viewed as zeroing in on decision-making, information, and the future. Its substance is concentrated on the consideration of current decision options based on available data and taken in the light of their possible effects and consequences over time.

In other words, strategic planning is concerned with identifying foreseeable thrusts and weaknesses to avoid and strengths and opportunities to pursue. It presents an opportunity for reaching out, engaging, and collaborating with members of a department and with other parts of the organization.

There are many components of the practices which are spread throughout strategic planning stages. Most often, the strategic planning practices has four common phases: strategic analysis, strategy formulation, implementation and monitoring (David, Johnson, Scholes & Whittington, Rothaermel, Thompson and Martin). While Lou Gerstner, past Chairman and CEO of IBM, was orchestrating IBM's turnaround in the 1990s, he famously commented that it doesn't matter what your strategy is, as long as you have one. Being clear about an organization's strategic goals provides focus and helps managers understand how to direct their resources and make decisions on a daily basis. At the same time, strategic plans themselves do not necessarily result in a successfully implemented strategy.

Consider President Dwight Eisenhower's military wisdom, "plans are nothing. Planning is everything." Though he never found much use for the plans themselves, the planning process was indispensable. There is no single "best practice" for how to do successful strategic planning. The timing and process will differ depending on industry, market pressures, and the size and culture of the business. In the past, a five to ten year strategy time horizon was common, yet today we see how difficult it is to plan beyond two or three years.

Strategic planning is typically oriented to a particular organization's circumstances at a particular time in its history. However, there are a number of proven and effective practices and methodologies that can be adapted for virtually any business.

1.1.3 International Non-Governmental Organisations in Kenya

The World Bank defines a non-governmental organization (NGO) as "private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development". An international non-governmental organization (INGO) has the same mission as a non-governmental organization (NGO), but it is international in scope and has outposts around the world to deal with specific issues in many countries. Both terms, NGO and INGO, should be differentiated from Intergovernmental organizations (IGOs), which describes groups such as the United Nations or the International Labour Organization.

An INGO may be founded by private philanthropy, such as the Carnegie, Rockefeller, Gates and Ford Foundations, or as an adjunct to existing international organizations, such as the Catholic or Lutheran churches. A surge in the founding of development INGOs occurred during World War II, some of which would later become the large development INGOs like Oxfam, Catholic Relief Services, CARE International, and Lutheran World Relief.

International Non-governmental Organizations can further be defined by their primary purpose (World Bank and NGOs, October 3, 2007) Some INGOs are operational, meaning that their primary purpose is to foster the community based organizations within each country via different projects and operations. Some INGOs are advocacy-based, meaning that their primary purpose is to influence the policy-making of different countries' governments regarding certain issues or promote the awareness of a certain issue. Many of the large INGOs have components of both operational projects and advocacy initiatives working together within individual countries. NGOs in Kenya gather its membership from international, regional and national NGOs operating in Kenya and working with a host of Community Based Organisations (CBOs) and groups.

These NGOs are active in a cross section of sectors including: agriculture, water, education, environment, health, human rights, gender and development, children's rights, poverty alleviation, peace, population, training, counseling, small scale enterprises, disability and many others. The NGO Council provides overall leadership to the NGO sector. It champions the key values of probity, transparency, accountability, justice and good governance. It enhances the self-regulation of its members, and assists them to realize their potential in improving services that improve the socio-economic status of Kenyan society in pursuit of sustainable development.

1.1.4 Jhpiego Kenya

Jhpiego, an affiliate of Johns Hopkins University, is an international NGO supporting health programs to improve the health of women and their families. Jhpiego-Kenya works in close collaboration with both the Ministry of Medical Services and the Ministry of Public Health and Sanitation in the areas of HIV, Malaria, TB, Maternal, Newborn and Child Health, Reproductive Health and Family Planning.

Jhpiego Kenya structure is comprised of eleven health programs headed by project directors, and eight operational units i.e. (ICT, Human Resources, Administration, Monitoring Evaluation & Research (MER), Communications & New Business Development(NBD), Transport, Stores and Procurement). The NGO's headquarters is located on 14 Riverside off Riverside drive in Westlands.

The approximate population of all staff at present stands at 250 employees spread in 24 counties in Kenya. The TMT of Jhpiego Kenya referred to as Executive Management Team (EMT) comprises the Country Director, the Programs Director, the Chief of Party, Communications and New Business Development Director, Finance Director, Human Resources & Administrative Director.

Over the years, due to its affiliation with the John Hopkins University (JHU) in Maryland USA, Jhpiego Kenya had to use the global strategic plan from the global headquarters office based in Baltimore, Maryland. The global strategic plan is broad in scope and complex as it covers the global strategic business mandate for all the country offices which makes it hard for staff to comprehend. It is in this regard that in year the 2013 Jhpiego Kenya top management team led by the Country Director, formed a Dream Team to work on formulating a five year strategic plan specific to Kenya office but aligned with the JHU Global Strategic Plan. This exercise was aimed at transforming Jhpiego to a great place to work through innovating to save and transform lives of the Kenyan people.

1.2 Research Problem

Strategic Planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy. It may also extend to control mechanisms for guiding the implementation of the strategy. Strategic planning became prominent in corporations during the 1960s and remains an important aspect of strategic management. It is executed by strategic planners or strategists, who involve many parties and research sources in their analysis of the organization and its relationship to the environment in which it competes. This study will be a case of Jhpiego Kenya, an international NGO affiliated to Johns Hopkins University in the United States of America.

Jhpiego-Kenya is spread in 24 counties and works in close collaboration with both the Ministry of Medical Services and the Ministry of Public Health and Sanitation in the areas of HIV, Malaria, TB, Maternal, Newborn and Child Health, Reproductive Health and Family Planning. The headquarters office in Kenya is located on 14 Riverside off Riverside drive.

Various international studies have been done on strategic planning practices and Top Management Team. (Noble, 1999b). An all inclusive approach is crucial for effective planning as well as implementation of strategic plans for efective impactful results. Noble (199b) further notes that the best-formulated strategies may fail to produce superior performance for the firm if they are not successfully implemented. According to a survey of 276 senior operating executives in 2004, 57% of the firms were unsuccessful at executing strategic initiatives over the past three years (Allio, 2005).

Unlike strategy formulation, strategy implementation is often seen as something of a craft, rather than a science, and its research history has previously been described as fragmented and eclectic. Kaplan and Norton (2005) asserts that, 95 percent of the staff neither are aware of the organization strategies nor do understand them.

Johnson(2004) also believes that 66 percent of the organization strategies are not executed at all. In many cases this is not because of poor strategy and the idea behind them. Many valuable strategies are faced with problem and failure in the implementation stage. Basically,the main challenges in the strategic management lie in the implementing of the strategies rather than in developing stage. All these researches describe the information systems, learning, resource allocation, formal organization structure, personnel management, and organizational culture as factors affecting the implementation of the strategy.

Local studies done include but not limited to: Ochako (2007), who investigated the strategic issue management practices by mobile telephone companies operating in Kenya; and Muthangya (2007), who performed a study on strategic response to competitive environment: A case of Postbank. It established that in response to competitive environment, Postbank adopted the 3 Porter‟s generic strategies among others; Olunga (2007), response of Postbank limited to changes in the financial services sector in Kenya. The study established that Postbank responded to the changes by investing in new market driven products and adoption of the most appropriate distribution channels.

Rumba (2008), did a study on strategic responses by mobile phone companies in Kenya to environmental changes. It indicated the implementation of various competitive strategies, among which are cost-leadership and differentiation. The limited research that has been undertaken is deeply rooted in the business sector and relates to the strategy development process.

None of the aforementioned study focused on TMT and strategic planning practices of International Non-Governmental organizations. It is evident from these studies that strategic planning practices are aimed at bettering performance but there is a gap for this linkage. Therefore this research study seeks to answer the following question; what is the effect of the top management team on strategic planning practices in organizations?

1.3 Research Objective

To determine the role of Top Management Team in Strategic Planning Practices

1.4 Value of the Study

The study is useful to policy makers as it will act as a basis in formulation of policies with regard to strategic planning practices and involvement of top management team. It will trigger the policy makers to start analysis on what the role of TMT is on strategic planning process for smooth strategy formulation and implementation.

The study is significant to organisations as it provides valuable insight on the importance of involving TMT in strategic planning process and how TMT influences the formulation and implementation of strategic plans.

Therefore the findings of this study will help other Jhpiego country offices to understand the importance of having TMT at the forefront in the strategic planning process and more so their role during the implementation stage.

The study is useful in filling the knowledge gaps of the theoretical frameworks used in this study which are the Resource based view, Upper Echelons Theory and Dynamic Capability Theory. It is also useful to researchers as it will form a background and act as a reference for future studies. It will also help other academicians who undertake the same topic in their studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter summarized the information from other researchers who had carried out their research in the same field of study. The chapter covered theoretical foundation of the study and reviewed existing literature on TMT and Strategic Planning Process.

2.2 Theoretical foundation

The foundation of this study was based on three theoretical frameworks namely; Resource Based View, Upper Echelons Theory and Dynamic Capabilities Theory.

Resource Based View (RBV) is an approach to achieving competitive advantage that emerged in 1980s and 1990s, after the major works published by Wernerfelt, B. ("The Resource-Based View of the Firm"), Prahalad and Hamel ("The Core Competence of The Corporation"), Barney, J. ("Firm resources and sustained competitive advantage") and others. The supporters of this view argue that organizations should look inside the company to find the sources of competitive advantage instead of looking at competitive environment for it. According to RBV proponents, it is much more feasible to exploit external opportunities using existing resources in a new way rather than trying to acquire new skills for each different opportunity.

In RBV model, resources are given the major role in helping companies to achieve higher organizational performance. There are two types of resources: tangible and intangible. Tangible assets are physical things. Land, buildings, machinery, equipment and capital – all these assets are tangible. Physical resources can easily be bought in the market so they confer little advantage to the companies in the long run because rivals can soon acquire the identical assets.

Intangible assets are everything else that has no physical presence but can still be owned by the company. Brand reputation, trademarks, intellectual property are all intangible assets. Unlike physical resources, brand reputation is built over a long time and is something that other companies cannot buy from the market. Intangible resources usually stay within a company and are the main source of sustainable competitive advantage.

Figure 2.1 below as described by Barney J: 1991 explains RBV and emphasizes the key points of it;

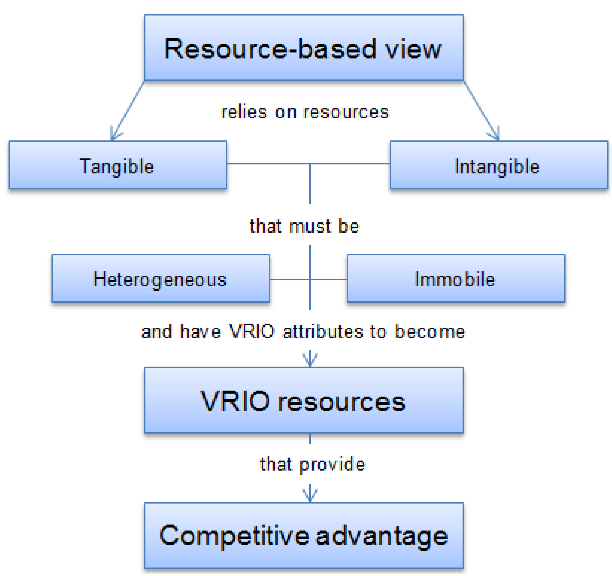

Figure 2.1 Resource Based View Model, Source: Barney J. (1991)

The two critical assumptions of RBV are that resources must also be heterogeneous and immobile. Heterogeneous, the first assumption is that skills, capabilities and other resources that organizations possess differ from one company to another. If organizations would have the same amount and mix of resources, they could not employ different strategies to outcompete each other. This is the scenario of perfect competition, yet real world markets are far from perfectly competitive and some companies, which are exposed to the same external and competitive forces (same external conditions), are able to implement different strategies and outperform each other.

Therefore, RBV assumes that companies achieve competitive advantage by using their different bundles of resources. Immobile the second assumption of RBV is that resources are not mobile and do not move from company to company, at least in short-run. Due to this immobility, companies cannot replicate rivals' resources and implement the same strategies. Intangible resources, such as brand equity, processes, knowledge or intellectual property are usually immobile.

Upper echelons theory (UET) is one of the most-researched theories in organization and management literature. The theory simply attributes the performance outcomes of firms to the characteristics of their top management teams and associates heterogeneity of the strategic behavior of firms with the cognitive and behavioral diversity of their managerial teams. As a result, it offers new models into strategic leadership, governance, decision making, and many other factors as well as processes involved in operation of firms.

The central premise of UET is that top executives view their situations - opportunities, threats, alternatives and likelihoods of various outcomes - through their own highly personalized lenses Hambrick and Mason (1984). These individualized construals of strategic situations arise because of executives' experiences, values, personalities and other human factors. Thus, according to the theory, organizations become reflections of their top executives. Explicitly set forth by Hambrick, Donald C. (born 1946) and Phyllis A. Mason (1984), upper echelons theory is the idea that top executives view their situations through their own highly personalized lenses.

Using the upper echelons perspective, researchers have examined the effects of top management team (TMT) composition and processes on organizational outcomes, as well as the influences of chief executive officer (CEO) characteristics on company strategy and performance. Dozens of studies have confirmed the basic logic of upper echelons theory (comprehensively reviewed in Finkelstein, Hambrick and Cannella, 2009), pointing to the conclusion that if we want to understand strategy we must understand strategists.

Hambrick and Mason (1984) derived the idea that managerial characteristics can be used to (partially) predict organizational outcomes based on the notion that the choices of top managers are influenced by their cognitive base and their values. Since such psychological constructs are difficult to observe, they suggested that the demographic characteristics of top managers can be used as proxies for their cognitive base and values. This is why the relationship between observable managerial characteristics and strategic choices (often also termed “organizational outcomes”) lies at the core of the theory. The fundamental idea of this theory is captured well by the subheading of Hambrick and Mason's (1984) seminal paper on the upper echelons perspective: the organization is a reflection of its top managers (the so-called "upper echelons"). The theory acknowledges that individual top managers heavily influence organizational outcomes by the choices they make, which are – in turn – affected by the managers' characteristics.

Hambrick and Mason (1984) further postulated that the characteristics of the upper echelons and their strategic choices help to explain an organization's performance. According to upper echelons theory, managerial characteristics also affect organizational performance, either directly or mediated by organizational outcomes (Hambrick and Mason 1984). Hambrick (2007) later suggested two moderators of the relationship between managerial characteristics and organizational outcomes – namely managerial discretion and executive job demands – to complement the traditional upper echelon model as proposed in Hambrickand Mason (1984).

Managerial discretion refers to the latitude of action top managers enjoying making strategic choices (Hambrick and Finkelstein 1987; Carpenter et al. 2004; Crossland and Hambrick 2011). Thus, Hambrick (2007) proposed that, if managerial discretion is high, managerial characteristics will be better predictors of organizational outcomes than if managerial discretion is low. The second moderator – executive job demands – refers to the levels of challenge top managers face (Hambrick et al. 2005).

Hambrick (2007) postulated that top managers who face a high level of challenges will have less time to contemplate decisions and therefore take mental shortcuts and rely more on their personal backgrounds. Thus, he predicts that the relationship between managerial characteristics and organizational outcomes will be stronger when the level of managerial challenges is high. In situations where managers face a lower level of challenges, in contrast, their decision making will be more thorough and rely less on their personal characteristics. Hence, the link between upper echelon characteristics and organizational outcomes should be weaker in such situations (Hambrick 2007).

Dynamic capability is defined by Teece et al. (1997) as "the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments." Originally, dynamic capabilities were distinct from operational capabilities, which pertain to the current operations of an organization. Dynamic capabilities, by contrast, refer to "the capacity of an organization to purposefully create, extend, or modify its resource base" (Helfat et al., 2007). The basic assumption of the dynamic capabilities framework is that core competencies should be used to modify short-term competitive positions that can be used to build longer-term competitive advantage.

The academic literature on dynamic capabilities grew out of (1) the resource-based view of the firm and (2) the concept of "routines" in evolutionary theories of organization (Nelson & Winter, 1982). It thus provides a bridge between the economics-based strategy literature and evolutionary approaches to organizations.

Three dynamic capabilities are necessary in order to meet new challenges. Organizations and their employees need the capability to learn quickly and to build strategic assets. New strategic assets such as capability, technology and customer feedback have to be integrated within the company. Existing strategic assets have to be transformed or reconfigured.

Teece's concept of dynamic capabilities essentially says that what matters for business is corporate agility: "the capacity (1) to sense and shape opportunities and threats, (2) to seize opportunities, and (3) to maintain competitiveness through enhancing, combining, protecting, and, when necessary, reconfiguring the business enterprise's intangible and tangible assets." Learning requires common codes of communication and coordinated search procedures. The organizational knowledge generated resides in new patterns of activity, in "routines", or a new logic of organization.

Routines are patterns of interactions that represent successful solutions to particular problems. These patterns of interaction are resident in group behavior and certain sub-routines may be resident in individual behavior. Collaborations and partnerships can be a source for new organizational learning which helps firms to recognize dysfunctional routines and prevent strategic blind spots. Similar to learning, building strategic assets is another dynamic capability. For example alliance and acquisition routines can enable firms to bring new strategic assets into the firm from external sources.

The main difference between the resource-based view of the firm and dynamic capabilities view is the fact that the latter focuses more on the issue of competitive survival rather than achievement of sustainable competitive advantage. This focus appears to be closer to contemporary business realities, the latter being more "high-velocity" than the case in previous decades. The demise of companies like Nokia shows that the more pressing issue is competitive survival. Strategy scholars Gregory Ludwig and Jon Pemberton (2011), in one of the rare and therefore important empirical studies on the topic, emphasize the need to focus on the actual process of dynamic capability building rather than generate further abstract definitions of dynamic capabilities.

It is of key importance to focus on different industry contexts to further advance this emerging area of research. In many industries, changing the entire resource base in response to external changes is simply unrealistic. At the same time, ignoring external change altogether is not an alternative. Senior managers are therefore forced to engage with the complex task of dynamic capability building in order to facilitate competitive survival in the light of depreciating value of resource bases available within the firm.

Dynamic capabilities theory attempts to deal with two key questions: How can senior managers of successful companies change their existing mental models and paradigms to adapt to radical discontinuous change and ultimately, how can companies maintain threshold capability standards and hence ensure competitive survival.

When senior managers are confronted with the task of building dynamic capabilities, they need to consider sometimes drastic fluctuations in the threshold capability definition standards, making it more and more complex for companies to understand the minimum requirements needed to remain in the game as an industry player.

In turn, these fluctuations derive from external change in the macro environments and the total resource sum available in an entire industry. Monitoring of these external and increasingly unpredictable parameters will then allow managers to tackle the internal process of adapting their resource base. Often, this is simply not possible because of strong path dependencies or practical feasibility constraints that apply to certain industries. For example, some industries rely on a certain manufacturing process.

Once a new technology arrives, changing the manufacturing process on short notice is unrealistic. It is therefore more likely that adaptations are centered on managerial routines and capability level, rather than apply to the resource base level. In other words, managers need to make the most of their existing resource material yet simultaneously understand the ongoing depreciation of this resource base.

2.3 TMT and Strategic Planning Practices

Top management refers to senior-level leaders including presidents, owners, and other high ranking executives (CEO, CFO, COO etc.) and senior-level managers. Several researchers have emphasized the effect of top management on strategy implementation (Hrebiniak & Snow, 1982; Smith & Kofron, 1996; Schmidt & Brauer, 2006; Schaap, 2006).

Most of them point out the important figurehead role of top management in the process of strategy implementation. Schmidt and Brauer (2006), for example, take the board as one of the key subjects of strategy implementation and discuss how to assess board effectiveness in guiding strategy execution.

Strategic Planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy. It may also extend to control mechanisms for guiding the implementation of the strategy. Strategic planning became prominent in corporations during the 1960s and remains an important aspect of strategic management. It is executed by strategic planners or strategists, who involve many parties and research sources in their analysis of the organization and its relationship to the environment in which it competes.

Hrebiniak and Snow (1982) find that the process of interaction and participation among the top management team typically leads to greater commitment to the firm‟s goals and strategies. This, in turn, serves to ensure the successful implementation of the firm‟s chosen strategy (cited in Dess & Priem, 1995). Smith and Kofron (1996) believe that top managers play a critical role in the implementation – not just the formulation – of strategy.

These studies tend to have a somewhat weak empirical (case) base for their prescriptive advice. Schaap (2006) had carried out an empirical study and has tested the following hypotheses: effective senior-level leadership behaviors will be directly related to successful strategy implementation. This hypothesis, however, has resulted in mixed support; those senior-level leaders who have been trained in or studied strategic planning and implementation are more likely to meet the performance targets set for the company. This hypothesis also resulted in a weak confirmation. More empirical research is needed to clarify the role of top management for strategy implementation.

Executors are comprised of Top management, Middle management, Lower management and Non-management. Effectiveness of strategy planning and implementation is, at least in part, affected by the quality of people involved in the process (Govindarajan, 1989). Here, quality refers to skills, attitudes, capabilities, experiences and other characteristics of people required by a specific task or position (Peng & Litteljohn, 2001).

Viseras, Baines, and Sweeney (2005) group 36 key success factors into three research categories: people, organization, systems in the manufacturing environment. Their intriguing findings indicate that strategy implementation success depends crucially on the human or people side of project management, and less on organization and systems related factors.

The second perspective considers the effect of context on behavior (Waldersee & Sheather, 1996). The third one analyzes the impact of relationships between top management and middle management on strategy implementation (Wooldridge & Floyd, 1990, 1992b, 1997; Qi, 2005). Below, we briefly summarize the findings of these studies.

Gupta and Govindarajan (1984) point out that the greater the marketing and sales experience of middle managers, the greater their willingness to take risk, and the greater their tolerance for ambiguity. These personal factors contribute to the implementation effectiveness in the case of a build strategy but hamper it in the case of a harvest strategy for SBUs.

Govindarajan (1989) considers a more comprehensive set of managerial background and personality variables than Gupta and Govindarajan (1984). He analyzes the individual managerial characteristics (e.g., functional background, industry familiarity, locus of control, problem-solving style) and competitive strategy and finds that greater R&D experience and greater internal locus of control on the part of the SBU general manager contribute to implementation effectiveness in the case of a differentiation strategy followed by SBUs, but hamper it for a low-cost strategy SBUs; general managers who have manufacturing experience and who are feeling types contribute to performance in the case of low-cost SBUs, but hamper performance for differentiation-strategy SBUs; experience in general management and industry familiarity are beneficial in a universalistic sense; experience in finance and accounting (surprisingly) has a negative effect on performance.

CHAPTER THREE

RESEARCH METHODOLGY

3.1 Introduction

This chapter covered research methodology of the study. It highlighted the research design to be used, the data collection, analysis and presentation methods.

3.2 Research Design

A research design is a systematic plan to study a scientific problem. The design of a study defines the study type (descriptive, correlational, semi-experimental, experimental, review, meta-analytic) and sub-type (descriptive-longitudinal case study), research question, hypotheses, independent and dependent variables, experimental design, and, if applicable, data collection methods and a statistical analysis plan.

The research design was a case study of Jhpiego Kenya, a non-governmental organization. The study was qualitative and it involved an in-depth investigation of top management team and how they influence planning and implementation of strategy in an organization.

3.3 Data Collection

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes.

The study made use of both secondary and primary data. Primary data was obtained from Jhpiego Kenya Executive Management Team (EMT) through interviews. Secondary data was obtained from literature from different search engines and Jhpiego library. Data collection tools were designed in line with the study objective. The respondents were six (6) Executive Management Team of Jhpiego Kenya.

3.4 Data Analysis

Analysis of data is a process of inspecting, cleaning, transforming, and modeling data with the goal of discovering useful information, suggesting conclusions, and supporting decision making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, in different business, science, and social science domains.

For this study Content analysis was used in data analysis and presentation since the data collected was qualitative in nature. Themes and sub-themes were derived from the data collected and then used through thematic mapping and content analysis to explore the factors affecting the effective planning and implementation processes of strategic plans in NGOs. Primary data was triangulated with secondary data to inform the study objective.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents a clear description of the analysis conducted, the results derived from the analysis and a detailed discussion of the results. The data analysis section describes the different methods and softwares used in managing both the quantitative and qualitative aspects of the semi-structured interview guide that was used in data collection. The discussion of the results was done cognizant of the literature review that had been conducted in the earlier stages of the study process.

4.2 Data Analysis

This section provides a description of what type of analysis was done to inform the results of the study. After data collection the transcripts were assigned distinct codes to ensure that there is no confusion on the responses reported by each of the respondents. To ease in the analysis of the transcripts, the questions in the interview guide were divided into two sections. The background characteristics, which were essentially structured, were analyzed separately from the open ended questions.

A data entry was prepared using SPSS for the closed ended questions. Since they were pre-coded, the closed ended questions were captured in the data entry template and simple statistical analyses done. The findings were therefore transferred to Microsoft Excel sheets for further analysis into graphical representations which informed the background characteristics of the study respondents.

The qualitative analysis was through content analysis. The open-ended questions were organized into themes and sub-themes according to what emerged from the interview guide responses. All the responses that were deemed similar were categorized according to the themes and sub-themes to inform the study findings in response to the study objectives.

4.3 Results of the study

This results section was divided into two that is, the quantitative results, and the qualitative results. The quantitative results mainly touched on the background characteristics of the study, whereas the qualitative results touched on the emerging themes and sub-themes of the study.

The section gives a detailed presentation of the analyses conducted. Where applicable, the background characteristics are graphically presented. The qualitative aspects of the study comprise the bulk of the results section and it is presented according to the themes and sub-themes derived from the study responses.

4.3.1 Sex of the respondents

Male respondents comprised the majority (60.0%) whereas the rest were female respondents who were 40.0%. Figure 4.1 gives a graphical representation of the respondents who were successfully interviewed.

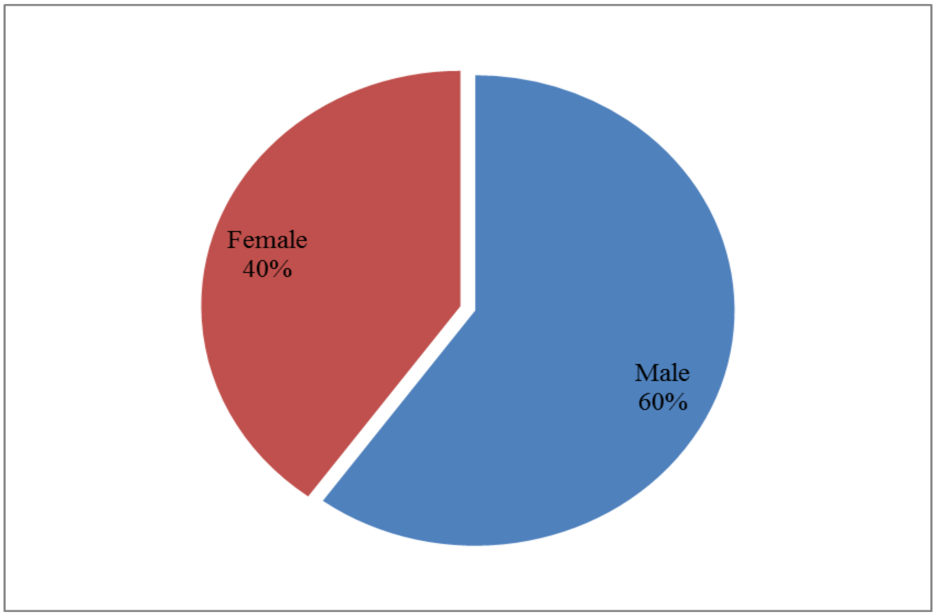

Figure 4.1: Proportion of the study respondents by sex.

Source: Primary data 2014

4.3.2 Age of the respondents

In most organizations, it is generally expected that the employees who are in managerial positions and/or in senior postions are older than those who are hodling junior positions. A greater majority (80.0%) of the respondents in this study stated that they are over 44 years old. Only one-fifth of the respondents reported that they are aged between 35 and 44 years. None of the respondents indicated that they are less than 35 years old.

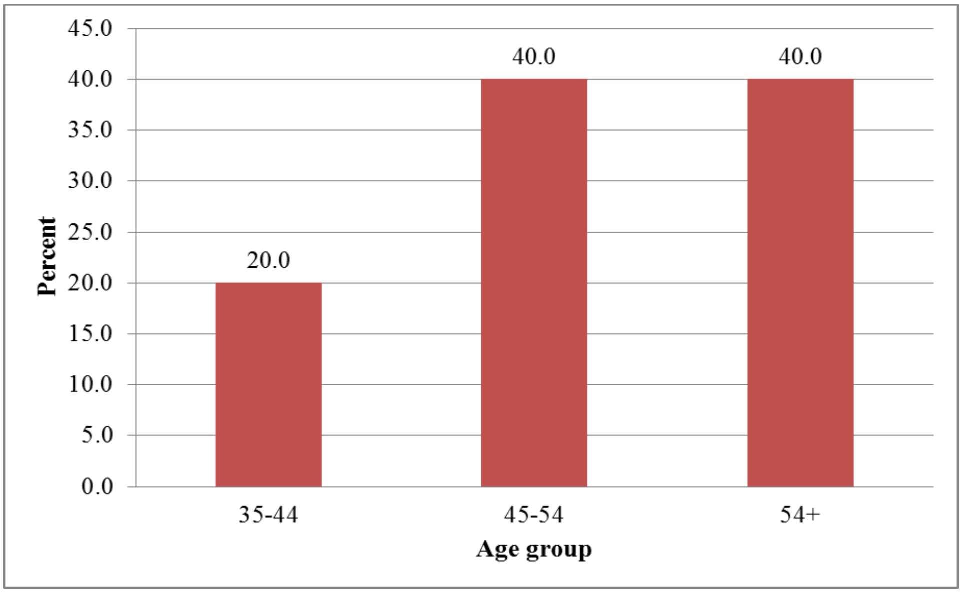

Figure 4.2: Proportion of the study respondents by age group.

Source: Primary data, 2014

4.3.3 Highest education level

When asked about their highest education level, all the respondents in the study indicated that they had post graduate level of education. None of them had the lower level education cadres since, as expected, the positions they all held are top management posions in the organization.

4.3.4 Length of service in Jhpiego Kenya

The respondents had served in varied durations in Jhpiego. When asked how long they had served in Jhpiego Kenya, 60.0% reported that they had served between four years and six years. Approximately 20.0% other reported that they had served in the organization for over six years whereas the rest, that is, 20%, indicated that they had served for less than two years. Figure 4.3 gives a graphical representation of the length of service in Jhpiego Kenya.

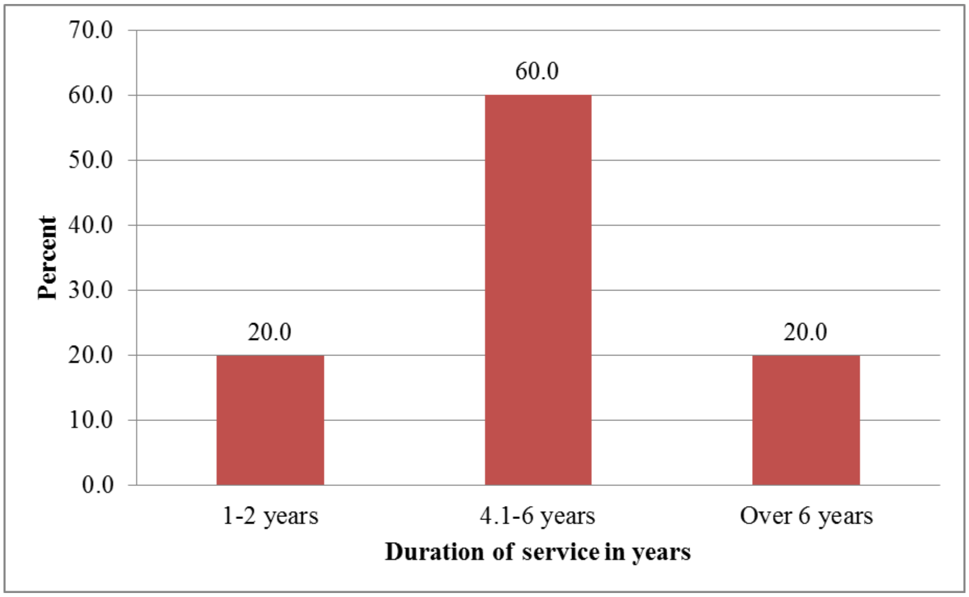

Figure 4.3: Length of service in Jhpiego Kenya in years.

Source: (Primary data, 2014)

4.3.5 Top Management Team and Strategic Planning Practices

This sections gives a detailed presentaion of the qualitative aspects of the study results, preceded by a discussion of the results in consonance with the literature search conducted using different serch engines.

The respondents were asked to state what they thought was the role of TMT in strategic planning process. Among the responses were TMT guide the development of the Strategic Plan, from appointing a consultant, carrying out Stakeholders survey to get feedback from staff, donors and partners. They review the competition in the environment where the organization is operating in to understand who their competitors are and how the organization should position itself. They demonstrate commitment to a long term process and speak about strategic planning process as well as disseminate the Strategic Plan to staff.

They assign roles to resource and responsible persons through assigning budgets because Return on Investment is not determined. TMT questions the status quo which enables an honest conversation between staff and the TMT for increased productivity. They help to keep the strategic planning process at a high level to ensure everyone focuses on the whole organizational goal. TMT coordinates the teams they lead to contribute to the Strategic Plan during Implementation.

Further the respondents pointed out that it is important to have all-inclusive entry points of involving all the people, both external and internal stakeholders (staff, partners and clients). This can be done through conducting surveys to give opportunities to different stakeholders to make their contribution to the strategic plan. Constant and clear communication at every stage of the process was also said to be very crucial with clear definition of roles and responsibilities of different people in the process. The strategic planning process therefore calls for ample time as stated by one of the respondents, like a 3 day workshop away from work environment or else have a consultant dedicated to guide the process.

Organizations use varied ways and approaches in conducting strategic planning. To clearly understand how Jhpiego Kenya goes about their strategic planning process each of the five respondents interviewed gave their understanding on the stages employed by Jhpiego in strategic planning as presented in Table 4.1 below;

Table 4.1: Stages of Strategic Planning in Jhpiego Kenya.

Source: Primary data 2014

Stage	Resp1	Resp2	Resp3	Resp4	Resp5
1.	Developing a timeline/schedule for doing the strategic plan	Getting buy-in for the process with senior leadership	Analysis of current situation (SWOT)	Situational analysis	Come up with a Vision
2.	Assign resource persons the roles they will play	Conduct the situational analysis	Development of strategies and objectives (in workshops)	SWOT Analysis	Come up with a Mission statement
3.	Conduct an analysis of stakeholder survey and put reports together for the writing workshop	Plan to plan – agreeing on what the planning process will entail	Draft a plan and circulate to all staff for their input.	Develop a strategy to respond to the above	Come up with objectives, key things to appear in the strategic plan
4.	Actual writing of the plan	Have team leaders for each planning activities	Dissemination of final plan		
5.	Disseminate to staff and key stakeholders	Refine the reports from team leaders i.e. structure the analysis, vision and mission values and objectives			
6.		Draft the plan and share with staff for feedback then refine			
7.		Share/publicize/disseminating the plan			

It is very important to understand who is best placed to participate in strategic planning process. Different studies have been conducted and they show that involvement of all levels of organization’s staff is beneficial to owning up and implementing the strategic plan. Govindarajan (1989) states that executors are comprised of top management, middle management, lower management and non-management. Effectiveness of strategy planning and implementation is, at least in part, affected by the quality of people involved in the process. The respondents were asked about the top level managers at Jhpiego Kenya that are involved in strategy formulation and implementation process. They indicated that, at formulation and implementation stages, all staff are involved and it is the responsibility of the team leaders of departments and programs to mainstream the strategic plan in their work.

The EMT disseminates the strategic plan during work planning, progress meetings, annual meetings and ensures that the new program developments are in line with the Strategic Plan. The respondents also noted that the Executive Management Team usually handles the general operational activities of the strategic plan and the short term strategic decisions as well as giving endorsement of the document. They are also tasked with determining if the organization should have a strategic plan and if so, when and what should be done. The study states that it is the responsibility of the Executive Management team to allocate resources and approve budgets. In summary, the people who were said to be involved during strategy formulation and implementation in Jhpeigo Kenya include; Country Director, Technical staff, HR and Administration director, Finance Director, Middle/Senior level managers, Technical/Program advisors.

Communication is another very key component in strategy formulation and implementation process. There were varied responses on the role of communication in strategy formulation and implementation process. Almost all the respondents indicated that communication is an instrument used to manage the whole process from design, formulation and implementation. Some of the responses from the respondents stated that communication tools are used to summarize the strategic plan for ease of reference by staff and other stakeholders. There were indications that communication is the thread that joins all the components in any organization.

Communication promotes awareness of the plan to staff and grants them an opportunity to gain trust in the organization through involvement. Communication was also said to be very key in reassuring transparency of the process and making staff understand why the plan is being done and why it is important. Some of the respondents indicated that communication provides clarity on the strategic direction of the organization and reduces resistance from staff. It was also said to be playing a crucial role in motivating the stakeholders because they feel part of the process.

The role of staff involvement was also explored at length. The respondents pointed out that all staff are very key in strategy formulation and implementation owing to their various roles they play in this regard. Among other roles of staff involvement, the respondents said the following: consultation and taking in staff's feedback makes it easy for staff to understand the Strategic Plan once it is developed and thus mainstream it in their daily duties. It makes them gain acceptance to effectively participate in implementation. It helps to clarify expectations of the strategic objectives, grants them the opportunity for innovation on their activities as they implement it, gives them an opportunity to communicate the strategic plan to the rest of implementing staff and they have to ensure implementation is in line with the strategic plan.

When asked on the initiatives taken by TMT in promoting better working environment within Jhpiego that motivates staff in their implementation role, they pointed out that staff recognition for staff who meet deliverables in the plan is a key initiative. Mentioned also was a pillar in the Strategic Plan that is focused on people and career development. It is centered on the staff themselves in areas of career development, trainings, among others. Other propositions were the use of 'the great place to work' tools which involve assessing the gaps especially on trust, pride and camaraderie then work on filling the gaps identified.

Promotion of equality and taking into consideration every contribution from staff is crucial. Other initiatives to be embraced were staff to be encouraged to adopt a positive culture of 'the great place to work' through the performance appraisal system. Good performance and innovativeness should be recognized through giving certificates of recognition. Other initiatives comprised the following: Ensuring availability of working tools such as cell phone, laptop, airtime; equitable and competitive pay; staff engagement and participative or consultative decision making; giving clear direction on the way things should run; giving feedback at every stage and appreciating staff when they do good work, correcting them where they are wrong.

All respondents retorted affirmatively when asked whether there is need for a time frame for strategy implementation at Jhpiego Kenya. One of the respondents indicated that yes, Jhpiego's Strategic Plan has a time frame of 5 years, beginning 2014 – 2018. Jhpiego has Milestones and time frames for achieving the specific targets under each pillar in the Strategic Plan.

Other respondents noted that in a good strategy there is a timeline on it. It never falls in one's daily work thus top managers must have check in meetings, talking walls where components of the strategic plan are discussed and tracking of progress. One of the respondents noted that if the strategy is stuck in the books it will never get done. Setting time frames is key because it helps avoid crowding activities within one timeline. When good time frames are set activities are distributed fairly and this releases pressure from the implementers. One was quoted saying. Everything needs a time frame, things change, guidelines change, donor priorities change with time, so there should be a time frame, like 5 years.

A further question was posed on the strategy formulation and Implementation practices employed by Jhpiego Kenya. The respondents pointed out that strategy formulation and implementation practice in Jhpiego is a standing agenda in the monthly EMT meetings where they get a report on progress on activities from the EMT secretary. There is a presentation of progress on implementation of the plan annually by Country Director during staff retreats.

Other practices mentioned were: Review of where Jhpiego is in strategy implementation; soliciting information from stakeholders through monkey surveys, consultation both with HQ and staff, getting team leaders together, sharing the objectives of the meeting, using an expert or consultant to guide people through the process.

On the other hand, two respondents indicated that Jhpiego has no practices but had good processes when writing the strategic plan. Further, the respondent noted that TMT needs to try to make it part of their practices by reviewing it in staff meetings/retreats. They also noted that implementation practices have not been put in place but there is still room for Jhpiego to do better.

4.3.6 Challenges of Strategic Planning Practices

This section delves deeper on the challenges faced during strategic planning process and the remedial measures meted to counter these challenges. Strategic Planning and implementation is not without challenges. The respondents were asked to state the challenges of strategy implementation faced by their departments during execution.

They therefore noted the following challenges: Changing funding landscape by donors because NGOs serve the interests of donor. USAID is changing from Cooperative Agreements to contracts thus NGOs are expected to change to conform. It was also noted there challenges on linkage of the local strategic plan to the HQ global strategic plan which becomes a source of conflict.

The effect of devolution in Kenya where NGOs have to operate under the new political dispensation posed a challenge; Staff not identifying with the plan. Strategic plans are consultative therefore no one department is obligated to accomplish a certain component. There are lots of blame game among staff. The CEO needs to have specific people directly obligated to implement specific areas. Generally in Jhpiego Kenya staff identify more with their programs than the overall strategic goal.

Another challenge is failure to constantly refer to the strategic plan and regularly review milestones by staff because it is not in their daily duties. It was reported that departmental objectives were not being aligned with the strategic plan. The staff may not be committed to contributing to the strategic planning process and therefore they may not drive implementation. They may also oppose certain aspects of the strategic plan and not implement it as expected.

A further question was posed on some of the challenges that surface during Strategic Planning Process that had not been anticipated. The respondents stated that funding of the Strategic Planning process with donor money is not an allowable cost and so are competing priorities in the program needs.

In Jhpiego one of the respondents pointed out that bringing Headquarters on board was a challenge which led to lack of their participation from the onset. Other unanticipated challenges mentioned were: Overlaps on the specific groups; staff being too detailed on their specific technical components in deciding which components to retain in the strategic plan; Protecting territories, that is each technical staff protecting their areas in fear of change.

Lack of involvement of all stakeholders to provide input during the workshops due to busy schedules; unavailability of key personnel during the planning process. There are a number of competing activities that hamper strategy implementation. The respondents said that supervision and monitoring of program activities and the time spent on new business development, leads to a lapse of everything. Other competing activities in strategy implementation are: Daily running of the business; funding pressures i.e. programs coming to an end; global duties to attend to; everyone has to be involved and getting departments to work together; and when projects are phasing off TMT tend to focus on emerging opportunities and where to get funding.

Program implementation and reporting; donor priorities; strategic planning is not a priority of donors; institutional calendar of events were also competing activities cited by the respondents. One of the respondents also noted that health workers strike as a competing activity to strategy implementation since it hampers progress in this regard. The respondent also mentioned delays in donor funding that brings work to a halt, and so are delays in approval of work plans that slows work down.

Challenges posed by inadequacy of information systems used to monitor Strategic Planning were cited as common by most of the respondents. Some of the challenges mentioned revolved around: Using a monitoring and evaluation plan to monitor progress and know whether its succeeding or not i.e. use of performance and monitoring plan; lack of a system of linkage of the strategic plan with performance; inadequate to monitor which will delay in implementation of activities because nothing triggers TMT on progress of the implementation process.

A respondent noted, with regard to inadequate information systems used to monitor Strategic Planning in Jhpiego Kenya, there was no single monitoring system to monitor implementation of the strategy. The Performance Monitoring Plan (PMP) is in its formative stages. Another respondent stated that, there may be no tools to document some of the things that are important to us in the strategic plan. Contrary the rest of the respondents noted that there were no challenges with system. However, the respondent was careful to assert that there is need to talk about the strategic plan, its successes, and current status, have it on the walls and keep referring to it.

Whenever the TMT are not fully appreciating strategic planning practices, the respondents noted that the TMT cannot develop an effective plan and if there is one in place implementation will be hampered. There is also the likelihood that they may develop a strategic plan and not look at it until after five years. If there is no buy-in of the strategic plan by all the TMT, the respondents noted that the strategic plan will be rendered irrelevant and therefore redundant. It is likely that poor communication during strategy implementation would precede poor implementation.

The respondents were asked to state the impact of poor communication in strategy implementation. They mentioned that it brings about: Confusion of roles and responsibilities; the plan will never get implemented; blame game among staff and leads to suspicion and fear. The staff are left on their own to decide and therefore ends up with negative feelings consequently leading to poor departmental results and overall performance.

The respondents were asked to comment on the challenges caused by poor coordination and sharing of responsibilities of Strategic Planning activities by TMT. They reported that there is inevitably a lot of confusion of roles and Responsibilities and thus the risk of duplication of roles and stalling of the implementation. The TMT keeps stepping on each other's toes and creates fear of overstepping boundaries of other people's roles. This creates undue conflict in roles among the TMT and delays in completion of planned activities owing to poor monitoring of achievement of activities.

4.4 Discussion

Porter (1980, 1985) defines strategy as the positioning of a business in a given industry structure. Pearce and Robinson (1995) states that strategic planning is to envision the future and develop plans for interacting with the competitive environment to achieve that future. Many schorlars subscribe to the argument that strategic planning and implementaion is very key for effecive and efficient realization of any organizational goals and objectives. This study also conforms to the assertion that the TMT plays a very fundamental role in ensuring that the continuum of strategic planning and implementation is well coordinated at all processes.

The supporters of Resource Based view argue that organizations should look inside the company to find the sources of competitive advantage instead of looking at competitive environment for it. According to RBV proponents, it is much more feasible to exploit external opportunities using existing resources in a new way rather than trying to acquire new skills for each different opportunity Barney (1991).

However from the study, it was noted from the respondents that TMT should review the competition in the environment where the organization is operating in to understand who their competitors are and how the organization should position itself. They define the vision of the organization and communicate the strategy to the rest of the staff and key stakeholders.

TMT positions the organization to the environment and guides teams to come up with Vision and Mission (Primary data, 2014). Dynamic capability is defined by Teece et al (1997) as "the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments." Originally, dynamic capabilities were distinct from operational capabilities, which pertain to the current operations of an organization.

Govindarajan (1989) states that executors are comprised of top management, middle management, lower management and non-management. Effectiveness of strategy planning and implementation is, at least in part, affected by the quality of people involved in the process. The respondents were asked about the top level managers at Jhpiego Kenya that are involved in Strategy Formulation and Implementation Process. They stated that Middle/Senior level managers, Technical staff, HR and Administration director, Finance Director, Technical/Program advisors and Senior Technical Advisors.

From the study it is clear that there are necessary conditions for successful Strategic Planning Practices. The respondents indicated that it is important to conduct a stakeholder survey to get feedback from both internal and external stakeholders. This calls for an in-depth understanding of the environment where the organization is going to work. For example, if the organization's focus area is on health matters like Jhpiego Kenya, understanding devolution structures, donor interests in Kenya and understanding the local context is important.

The organization should review how it wants to position itself with a keen eye on what distinguishes it from other organizations as well as have a planned methodology and structured situational analysis which guides the planning process (Primary data, 2014). It is through communication that the processes involved in strategic plan formulation and implementation are clearly presented to the staff and other stakeholders. It also gets the teams to participate and fill their part of strategic planning and thereby consolidate information from every person and put it all in one document.

Staff involvement is very key in strategy formulation and implementation owing to their various roles they play in this regard. It makes them gain acceptance to effectively participate in implementation (Primary data, 2014). Strategy formulation entails heavy doses of vision, analysis, and entrepreneurial judgment, successful strategy implementation depends on the skills of working through others, organizing, motivating, culture-building, and creating stronger fits between strategy and how the organization operates Ingrained behavior does not change just because a new strategy has been announced (Sullivan, 2006).

A successful implementation plan will have a very visible leader, such as the CEO, as he communicates the vision, excitement and behaviors necessary for achievement. Everyone in the organization should be engaged in the plan. Performance measurement tools are helpful to provide motivation and allow for follow-up. Implementation often includes a strategic map, which identifies and maps the key ingredients that will direct performance. Such ingredients include finances, market, work environment, operations, people and partners.

To successfully implement a strategy, several items must be in place. The right people must be ready to assist with their unique skills and abilities. There should be resources, which include time and money, to successfully implement the strategy. The structure of management must be communicative and open, with scheduled meetings for updates (Bhagwati, 2004). Management and technology systems must be in place to track the implementation, and the environment in the workplace must be such that everyone feels comfortable and motivated.

A very common mistake in strategic implementation is not developing ownership in the process. Also, a lack of communication and a plan that involves too much are common pitfalls. Often a strategic implementation is too fluffy, with little concrete meaning and potential, or it is offered with no way of tracking its progress. Companies will often only address the implementation annually, allowing management and employees to become caught up in the day-to-day operations and neglecting the long-term goals. Another pitfall is not making employees accountable for various aspects of the plan or powerful enough to authoritatively make changes (Arumonyang, 2009).

CHAPTER FIVE

SUMMARY, CONCLUSION AN RECOMMENDATIONS

5.0 Introduction

This section gives the summary, conclusion and recommendation accruing from the results and analysis of this study.

5.1 Summary

Many valuable strategies are faced with problem and failure in the implementation stage. Basically,the main challenges in the strategic management lie in the implementing of the strategies rather than in developing stage. Strategic Planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy. TMT questions the status quo which enables an honest conversation between staff and the TMT for increased productivity. They define the vision of the organization and communicate the strategy to the rest of the staff and key stakeholders.

TMT positions the organization to the environment and guides teams to come up with Vision and Mission. TMT helps to keep the Strategic Planning process at a high level to ensure everyone focuses on the whole organizational goal. TMT coordinates the teams they lead to contribute to the Strategic Plan through Implementation.

5.2 Conclusion

The TMT is very key in the strategic planning process of any organization. When the processes are not well thought and planned then the organization is bound to hit a dead end and therefore end up missing on the realization of the organizations goals and objectives.

Communication and coordination of all the processes, ranging from the strategic planning process to implementation act as a buffer to the realization of goals and objectives and thus saves the organization many unnecessary huddles and resources. The TMT should therefore ensure that that all stakeholders are involved, not during the implementation stages, but also at the formulation processes.

5.3 Recommendations

Despite the many challenges to strategy implementation the respondents stated a number of remedial measures to counter these challenges. There were indications that the leader must provide effective leadership through his team of implementation; clear roles and responsibilities should be assigned to individuals and; the organization should ensure that it focuses on core areas either for implementation or for New Business Development.

Other recommendations for effective strategic plan implementation are; Disseminate the plan within two months after it is developed, and have serious communication materials on the plan to make people understand as well as road shows to campaign on the plan. During staff retreats and meetings break into groups and have sub themes on the strategic plan for discussion by staff.

Have dedicated talking walls in the office for pinning materials touching on the strategic plan and also form work groups on specific activities to review progress. This calls for institutionalized review of the Strategic Plan on quarterly basis and annual look at implementation progress. Assign and equitably share responsibilities of the strategic plan activities.

Include organization's strategy implementation in TMT's performance objectives to ensure it cascades down to the team in their departments. Hold regular meetings to review the strategic plan to see where the organization is with implementation. Involve and create awareness on the strategic plan to all staff for effective and efficient implementation.

5.5 Limitations of the Study

The respondents normally being very busy people in management did not have a lot of time to be interviewed. Since the research was conducted through open-ended interviews, a large amount of time was needed to collect information from the respondents.

Time limitation made it impractical to include more respondents in the study. Due to busy schedules at work, I experienced challenges in keeping up with the school deadlines and meetings with my research supervisor. This contributed to me working extra hours and under pressure to meet the set deadlines. A lot of resources were required despite them being limited. Transport cost to the school of business in Lower Kabete and at Ambank house in Town when required, printing of the research project each time it is taken for review and binding.

5.6 Area for Further Research

Challenges to TMT and strategic planning practices research areas are widely embraced in the developing countries such as Kenya. In Kenya, it has gained acceptance mainly in the private organizations, however government organizations are also incorporating it as a key management strategy though at a sluggish pace.

Given that this study only covered effects of TMT on strategy formulation and implementation in Jhpiego, an INGO, studies need to be done on other NGOs in Kenya both local and international. There is therefore room for a similar study to cover other local and INGO on effective strategy formulation and implementation in Kenya and the role of TMT in the process.

This is timely, given the today's rapid technology advances and the increased emerging of competition on organizations in the country and the world at large. The researcher also suggests further research on Top Management Diversity and how they influence strategy formulation and implementation.

5.7 Implications of the study on Policy, Theory and Practice

The study findings posts the understanding that an organization's TMT ensures effective execution of the policy through allocation of enough resources to strategic planning practices. The study will be useful to policy makers as it will act as a basis in formulation of policies with regard to strategic planning practices and involvement of TMT. It will trigger the policy makers to start analysis on what the role of TMT is on strategic planning process for smooth strategy formulation and implementation.

The study reveals that for strategy to be effectively implemented, the TMT have to be fully engaged right from inception to the implementation stage as supported by Upper Echelons Theory. The theory simply attributes the performance outcomes of firms to the characteristics of their top management teams and associates heterogeneity of the strategic behavior of firms with the cognitive and behavioral diversity of their managerial teams.

Clear stipulated practice is articulated in one core question; what responsibility does TMT have to stakeholders, hence pushes them to articulate how they want to do business. Specifically the kind of relationships they want and need to create with their stakeholders to deliver on their strategic goals. This implies that many organizations have to develop and run their businesses in terms highly consistent within this line. On practice, the study findings identify the roles TMT play in formulation and implementation of strategy to achieve organization’s strategic goal. It also pushes the TMT to be clear on what leads to delay in implementation of strategy.

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APPENDIX I: INTERVIEW GUIDE

SECTION A: BACKGROUND INFORMATION

1. What is your gender? 1. Male 2. Female

2. What is your Age Bracket? 1. Less than 24 years
   2. 24-34 years
   3. 35-44 years
   4. 45-54 years
   6. 55 and above

3. What is your highest academic qualification?
   1. Below secondary
   2. Tertiary level (Diploma)
   3. University level
   4. Post graduate level

4. How long have you served in Jhpiego Kenya?
   1. Less than 6 months
   2. 6-11 months
   3. 1-2 years
   4. 2-4 years
   5. 4–6 years
   6. Over 6 years

SECTION B: TOP MANAGEMENT TEAM AND STRATEGIC PLANNING PRACTICES

1. In your view what are the roles of Top Management Team in Strategic Planning Process?

   i.…………………………………………………………………………

   ii.…………………………………………………………………………

   iii.………………………………………………………………………

2. In your opinion what are the necessary conditions for successful Strategic Planning Practices?

   i.……………………………………………………………………………

   ii.…………………………………………………………………………

   iii.…………………………………………………………………………

3. What are the stages of Strategic Planning Process that are used in Jhpiego Kenya?

   i.……………………………………………………………………………

   ii.……………………………………………………………………………

   iii.……………………………………………………………………………

4. Kindly indicate the Top Level Managers at Jhpiego Kenya that are involved in Strategy Formulation and Implementation process

   i.………………………………………………………………………

   ii.………………………………………………………………………

   iii.………………………………………………………………………

5. State the role of communication in the process of Strategic Planning at Jhpiego Kenya?

   i……………………………………………………………………

   ii……………………………………………………………………

   iii……………………………………………………………………

6. Kindly indicate the role of staff involvement in achieving effective Strategy Implementation at Jhpiego Kenya?

   i.……………………………………………………………………

   ii……………………………………………………………………

   iii……………………………………………………………………

7. What initiatives have been taken by Top Management Team in promoting better working environment within Jhpiego that motivates your staff in their implementation role?

   i……………………………………………………………..……

   ii…………………………………………………………..…………

   iii…………………………………………………………..…………

8. Do you think there is need for a timeframe for Implementation of strategic planning activities at Jhpiego Kenya?

   i…………………………………………….……………………

   ii……………………………………………………………………

   iii……………………………………………………………………

9. What are the Strategic Planning Practices employed by Jhpiego Kenya?

   i……………………………………………………………………

ii………………………………………………………………………

iii………………………………………………………………………

10. What challenges are posed by Top Management Team when there not fully appreciating Strategic Planning Practices?

    i………………………………………………………………………

    ii………………………………………………………………………

    iii………………………………………………………………………

SECTION C: CHALLENGES OF STRATEGIC PLANNING PRACTICES

1. Kindly indicate the challenges of Strategy Implementation that your department faces during execution?

   i………………………………………………………………………

   ii………………………………………………………………………

   iii………………………………………………………………………

2. What are some of the unforeseen challenges that surface during Strategic Planning Process?

   i………………………………………………………………………

   ii………………………………………………………………………

   iii………………………………………………………………………

3. What are some of the competing activities that cause distractions to the Top Management Team inhibiting Strategy Implementation?

   i………………………………………………………………………

   ii………………………………………………………………………

iii…………………………………………………………………………

4. What are the challenges posed by inadequacy of information systems used to monitor Strategic Planning in Jhpiego Kenya?

i…………………………………………………………………………

ii…………………………………………………………………………

iii…………………………………………………………………………

5. What is the impact of poor communication by Top Management Team to staff during Strategy Implementation?

i…………………………………………………………………………

ii…………………………………………………………………………

iii…………………………………………………………………………

6. What are the challenges caused by poor coordination and sharing of responsibilities of the Strategic Planning activities?

i…………………………………………………………………………

ii…………………………………………………………………………

iii…………………………………………………………………………

7. In your opinion what are possible solutions to challenges of Strategy Implementation?

i…………………………………………………………………………

ii…………………………………………………………………………

iii…………………………………………………………………………

THANK YOU