CHALLENGES TO STRATEGY IMPLEMENTATION AT CMC MOTORS GROUP LIMITED

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THIS RESEARCH PROJECT IS SUBMITTED IN PARTIAL FULFILLMENT FOR THE AWARD OF MASTERS OF BUSINESS ADMINISTRATION (MBA) DEGREE OF THE UNIVERSITY OF NAIROBI FACULTY OF COMMERCE

2005

DECLARATION

This research project is my original work and has never been presented in any other University/College for the award of degree/diploma/certificate.

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

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Date: 24/10/05

DEDICATION

To my Parents:

I am

Because

You are

To my Fiancée, Jacqueline:

I cherish your Love and Support

Your Patience and Understanding

Surpass

What words can explain

To my colleague, Anne

Your Prayers were

Genuine

They were answered

ACKNOWLEDGEMENTS

The MBA program has been a very long, taxing and challenging journey, the successful completion of which has been the result of the support and encouragement from many quarters. I am indebted not only to people who gave me the inspiration to take up this program but also to those who gave me the guidance and assistance on what I have reported here.

My heartfelt gratitude and appreciation go to my supervisor Mr. Jackson Maalu, coordinator of the MBA program, who conscientiously and patiently guided and encouraged me throughout the project. His advice, support, and constructive criticism he gave throughout the study enabled me complete my project in time. I am convinced that without his support, this study would not have been a success.

Most especially, I am grateful to the management CMC Motors Group Limited for granting me the permission to do my study in the organization. More specifically, my big "Thank You" goes to the Group Human Resources Manager, Mrs C.M. Raini who made every effort to facilitate and coordinate my carrying out of this study in the company. I am more so grateful to all CMC Motors Group management and staff who agreed to share their experiences and opinions; and patiently answered all questions. Their time and effort are acknowledged with gratitude. I wish them God's blessings.

I greatly appreciate the companionship and audience of my 2003-2005 MBA class throughout the program. Were it not for their interactive discussions and encouragement, the program could have proved unmanageable. More specifically I acknowledge Anne Muchemi's prayerful wishes that the program be a success.

Last but not least, I am very grateful to my Fiancée, Jacqueline for her generous support and love during the program period. I earnestly thank her for the good friend she was and still is. I wish her God's blessings. I thank my parents for their care, support and prayers. May God's grace be with them.

Whereas I acknowledge input from all these persons in the research project, I take responsibility of any deficiencies and flaws therein.

My greatest gratitude is to the Almighty God, Lord and Saviour, who deserve all the honour, glory and praise, for He has led me all through and has done it all. May His name forever be praised. Amen!

ABSTRACT

Strategy implementation is the process of transforming strategic intentions into actions, then into acceptable results. It is one of the most vital phases in the decision making process; embracing all the actions necessary to put the strategy into practice. Successful strategy implementation is as critical and difficult as the strategic choice. It requires consideration of the resources to be used, human resource requirements, structure, systems, and other variables.

Strategic management and hence strategy implementation are context sensitive. Thus, the manner in which these are practised in one sector may not fully help in understanding their practice within other sectors. This study focused on the motor vehicle industry and within the context of a multidivisional company. Among strategic management studies that have been done, very few have focused on the implementation aspect. Furthermore, these few ones have laid their focus more on other contexts other than the multidivisional context. This study was designed to fill the gap by emphasizing strategy implementation in a multidivisional context. It sought to answer the questions: what are the strategy implementation practices adopted by CMC in implementing its strategies?; and what are the challenges that CMC faces during the implementation process? Consequently, it purposed to achieve two objectives: to establish the strategy implementation practices adopted by CMC Motors Group; and to identify the challenges encountered by CMC Motors Group in implementing its strategies.

The major findings of the study were that CMC Motors adopts various practices in implementing its strategies. Embedded in the company's broad action plans and strategic thrusts are practices such as planning and control systems, performance targets, direct supervision, market mechanisms and some social cultural practices. The study established that whilst the practices that CMC uses support its strategies, aspects of the company structure and culture, resistance to change, unsupportive processes and procedures, uncontrollable factors in the environment, inadequate training of staff and resources among others were major obstacles to successful strategy implementation in the company.

This study is presented in five chapters each with various sections through which the researcher has tried to discuss the above issues. The findings of this study should be understood and evaluated in light of the limitations of the study. This study is especially helpful to CMC and other similar companies in Kenya. It should be particularly helpful to the company's strategic team and managers of multidivisional organizations whose responsibilities include formulating and implementing strategies.

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CHAPTER ONE: INTRODUCTION

1.1 Background

Organizations, whether for profit or non-profit, private or public have found it necessary in recent years to engage in strategic management in order to achieve their corporate goals. The environments in which they operate have become not only increasingly uncertain but also more tightly interconnected. This requires a threefold response from these organizations. They are required to think strategically as never before, need to translate their insight into effective strategies to cope with their changed circumstances and lastly, to develop rationales necessary to lay the groundwork for adopting and implementing strategies in this ever-changing environment (Bryson, 1995). According to Pearce and Robinson (1997), in order to achieve their goals and objectives, it is necessary for them to adjust to their environment.

Strategies are a critical element in organizational functioning, but whereas most organizations have good strategies, successful strategy implementation remains a major challenge. The notion of strategy implementation might seem quite straightforward; a strategy is formulated and then implemented. In the contrary, transforming strategies into action is a far more complex, difficult and challenging undertaking and therefore not as straightforward as one would assume (Aaltonen and Ikavalka, 2001). Because implementation of strategies remains the greatest bottleneck, many organizations are not able to address their goals adequately.

Strategy implementation is that process through which strategy is translated into action and results achieved. It involves acting on what has to be done internally to put the chosen (formulated) strategy into place and achieve the targeted results. Strategies and policies are translated by management into action through the development of programs, budgets, and procedures. Further, the process might involve changes within the overall culture, structure, and/or the management system of the organization (Pearce and Robinson, 1988; Thompson and Strickland, 1989; Hunger and Wheelen, 1995).

Organizations today face major unpredictable changes that make strategy implementation more difficult and complex than in the past (Harvey,1988). Holman (1999), writing on the importance of strategy implementation points out that 80% of organization directors believe that they have good strategies but only 14% believe that they implement them well. Recent research (Mintzberg and Quinn, 1991; David, 1997; Wang, 2000) also indicate that a considerable proportion (over 65%) of organizational strategies fail to get implemented effectively.

Researchers (Alexander, 1991; Giles, 1991; Aosa, 1992; Lares-Mankki, 1994; Galpin, 1998; Beer and Eisenstat, 2000; Koske, 2003; Muthuiya, 2004), have revealed a number of problems in strategy implementation. These include weak management roles, lack of communication, lacking commitment to strategy, and unawareness or misunderstanding of the strategy. Other problems are unaligned systems, structures, and resources; poor coordination and sharing of responsibilities, inadequate capabilities, competing activities, and uncontrollable factors in the external environment.

Just being able to conceive bold new strategies is not enough. An organization's management must also be able to translate the organization's strategic vision into concrete steps that 'get things done'. Strategy implementation, as viewed by Thompson and Strickland (1998), is acting on what has to be done internally to put the chosen (formulated) strategy into place and achieve the targeted results. Hunger and Wheelen (1995) see it as the process by which management translates strategies and policies into action through the development of programs, budgets and procedures. This process might involve changes within the overall culture, structure, and/or management system of the organization.

Whereas strategy formulation is largely entrepreneurial activity, implementing strategy is largely an internal administrative activity. Whereas successful strategy formulation depends on business vision, market analysis, and entrepreneurial judgement; successful implementation depends on working through others, organising, motivating, culture building, and creating strong fits between strategy and how the organization does things. Implementing strategy is a tougher, more time-consuming challenge than crafting strategy. It entails converting the strategic plan into action then into results. Implementation is successful if the company achieves its strategic objectives and targeted levels of financial performance. What makes it so demanding is the wide sweep of managerial activities that have to be attended to, the many ways managers can tackle each activity, the skill that it takes to get a variety of initiatives launched and moving, and the resistance to change that has to be overcome (Thompson and Strickland, 1993)

Traditionally, strategy making was viewed as essentially top-down exercise and the rest of the organization was seen as concerned with implementation. So, organization design was seen as a means of top-down control. An organization configuration consists of the structure, processes, relationships, and boundaries through which the organization operates. The early 21st century is characterized by important changes that are influencing the way that people are thinking about these organizational issues and how they are actually being lived out in practice (Johnson and Scholes, 2002).

It therefore follows that an organization's structural design can influence the success or failure of strategy because it defines the 'levels' and roles in an organization. It facilitates or constrains how the processes and relationships work. Thus, successful strategy execution depends on good internal organisation and competent personnel. Matching structure to strategy requires making strategy-critical activities and organizational units the main building blocks in the organization structure. Koyio (1999) observes that the search for appropriate organizational structures is not a new activity. It was started way back in the 1950s. The need arose from high failure rate of organizational structures to meet organizational objectives at the time. A landmark study by Alfred Chandler in 1962 found that changes in an organization's strategy bring about administration problems, which in turn require a new or a refashioned structure for the new strategy to be successfully implemented.

Organizational structural designs are of diverse types. Of concern to this study is the multidivisional structure i.e. one that is built up of separate divisions on the basis of products and services. Divisionalization, according to Johnson and Scholes (2002) allows a tailoring of the product/market strategy to the requirement of each separate division and can improve the ownership of the strategy by the divisional staff. However, whilst the diversity within a division is less than in the organization as a whole, nevertheless diversity still exists and can be difficult to manage. A further challenging scenario would be when the corporate parent/ headquarters controls the operation of a division in a bid to make sure that corporate objectives and goals are achieved. Successful implementation would thus depend on the extent to which there is coordination and harmonization of the exercise within such a structure (strategy-structure fit), other internal variables and the external environment which, to a great extent is not static.

This study focuses on the challenges to strategy implementation in a multidivisional company- CMC Motors Group Limited. The motor industry plays a pivotal role in Kenya's economic development initiatives in many aspects. The industry is important because it offers the most needed means: public and private transportation means, farm machinery (tractors), and commercial transportation means. These make it possible for people, goods and services to be availed where they are required either as inputs and expertise for production or as finished goods to markets for consumption.

1.2 Overview of the Motor Industry in Kenya

The Kenyan motor industry is one such industry that is critical in Kenya's national development initiative. In the early nineties, the motor industry in Kenya could boast of over thirty key players under the umbrella body- Kenya Motor Industry Association. Today the situation has reversed and the industry consists of a figure less than twenty active members with the market being dominated by only a third of the members.

The formal vehicle business in Kenya has, in recent past been hit by perpetual declines with falling sales and its "graveyard" is awash with prominent casualties, among them Lonrho Motors East Africa Ltd- once the region's biggest motor dealer but was driven into receivership by huge debts, a situation worsened by declining sales. Another was Hyundai Motors. Others have been forced to scale down their operations to skeleton structures, choosing to retain only appointed distributors while others have relocated to other East African countries in search of better operating environment. To a large extent, the situation has been blamed on increased and uncontrolled importation of second hand cars into the market as a result of market liberalization. The informal trade dealers on the other hand accuse the formal trade for over-pricing themselves out of the reach of most Kenyans, inability to produce efficiently, and lack of innovation. The industry has also been accused of unfair and unethical trade practices (Mucuvi, 2002).

According to Kenya Motor Industry Association statistics, the industry has never hit the break even target per month because the market has been taken up by an ascendant second hand imports. However, the association notes that the industry realizes an increase of new vehicle sales each year though the increase is much below the units that the Kenya Auto Bazaar Association (informal trade) estimate its members sell in the same period. KMI blames uncontrollable imports and dumping for the decline in the new vehicle market.

The industry has also experienced trade wars over claims of monopolistic tendencies and restrictive trade practices. There are cases of antitrust regulations especially on the contentious and potential landmine of franchise agreements. Major complaints have been raised on issues of high import taxation, lack of government support to encourage local assembly with issued threats of relocation within the COMESA region.

Most companies that operate in Kenya are franchise holders. The realities of the changing environment demands that these franchise holders should operate efficiently and effectively in order to survive. The demands of liberalization and increased competition have meant that the franchisees should make deliberate effort to put in place strategic measures that would give them an edge over competitors. The managers of these organizations are now required to posses the capability to restructure and adapt the enterprises to challenging constraints and to regard organizational structure as a key component to overall success of the organization.

The Cooper Motor Corporation (CMC) Group operates a number of automobile franchises as independent divisions, hence has a multidivisional organizational design. According to CMC Contact Magazine (Vol.23 Dec.2003), the company was incorporated as a Private Limited Company in 1948 and was converted to a public company in 1956. It first traded the Land Rovers onto which other franchises were added. To date CMC has grown and now carries the following franchises: Maruti, Suzuki, Grand Vitara, VW, Nissan Diesel, Iveco trucks, Case New Holland Tractors and Equipment, Nardi Agricultural equipment, Land Rover Defender, Discovery, Range Rover, Freelander, Mazda Passenger and Light Commercial Vehicles. The company has branches in Mombasa, Nakuru, Kisumu, Nanyuki, Meru, Eldoret, Kitale, Dar es Salaam (Tanzania), Kampala (Uganda), and feasibility studies are underway to open an additional branch in Southern Sudan. These branches sell new vehicles, service and also stock parts for all franchises (Contact Magazine, 2003). The company's structural design (several autonomous divisions and braches) coupled with other internal organizational dynamics; its ever-changing external environment and the industry structure present it as a case worthy of study on issues of strategy implementation.

1.3 Statement of the Problem

Today, organizations in Kenya operate under increasing competitive and ever-changing environment. In order to survive and deliver goods and services effectively, they require engaging in effective strategic management process. According to Kiruthi (2000), "all organizations must grapple with the challenges of the changing environment in which they operate". Various organizations develop and/or formulate their strategies variously. Whatever the process, each organization ends up with what is called a strategy.

Whereas strategic management process has been widely researched by management scholars in Kenya (Aosa,1992; Kombo, 1993; Kangoro, 1998; Gekonge,1999; Bwibo, 2000; Awino, 2001; Warsame, 2002; Koske, 2003; Muthuiya,2004; Michael, 2004; Waruhui,2004). Only a few studies (Aosa, 1992; Awino,2001; Koske, 2003; Musyoki,2003; and Muthuiya, 2004) have been done on the component of strategy implementation in Kenya, yet it is a crucial aspect in organizational strategic management process. Also, most studies in strategic management in Kenya have dealt with organizations in general without regard to their structure. Koyio (1999) studied the structure- strategy relationship in the Kenyan enterprises without regard to a specific structure and how such structure influences strategy implementation among other internal organizational variables.

In general, strategy implementation in multi-divisional companies has not received the same attention as the other components of strategic management and hence significant gaps exist in our knowledge, which this study aims at bridging. In view of the fact that strategy implementation is a key component of strategic management process of multi-divisional companies, increased research in this area to unveil problems associated with implementation of organizational strategies is important.

All organizations have goals, boundaries, levels of authority, communication systems, coordination mechanisms, and distinctive procedures (Bolman et al., 1991). This is true whatever the type of organization. Therefore, one of the central issues for any organization is how to structure. This is because a structure is "an outline of the desired pattern of activities, expectations and exchange among executives, managers, employees and customers" (Bolman and Deal, 1991). Viewed this way, an organizational structure is part and parcel of its internal capability (Ansoff, 1988) and therefore has the potential of either facilitating or impeding successful strategy implementation.

On the one hand, Hall (1999) identifies three organizational structure variables: formality, complexity, and centralization. On the other, Mintzberg (1979) discusses five organizational structures that have varying degrees of formality, complexity, and centralization: simple structure, machine bureaucracy, professional bureaucracy, divisionalized form, and adhocracy.

This study focuses on the divisionalized form of structure which naturally leads to pronounced decentralization from the headquarters: each division is delegated the powers needed to make the decisions concerning its own operations. But according to Mintzberg (1979), the decentralization called for in the divisionalized form is highly circumscribed: not necessarily more than the delegation from the few managers at the headquarters to the few more managers who run the divisions. While the divisions are said to operate independently of one another, they have to conform to the broad policy guidelines set by the corporate headquarters with which strategies crafted by the various divisions ought to comply before being implemented. At the same time each division would want to attract maximum attention from the headquarters for it to be able to compete advantageously in the market. More specifically, the study sought to answer the following questions:

1. What are strategy implementation practices adopted by CMC Motors Group Limited?
2. What are the challenges that CMC management faces when implementing the strategies?

1.4 Objectives of the Study

1. To establish the strategy implementation practices adopted by CMC Motors Group,
2. To identify the challenges encountered by CMC Motors Group in implementing its strategies

1.5 Importance of the Study

The findings of this study may go towards filling existing information gaps on strategy implementation and its challenges in multidivisional companies in Kenya. More specifically, it is envisaged that the study will:

1. Provide information to future scholars who might need to research on the challenges to strategy implementation in multidivisional companies in Kenya.
2. Bridge the gap in knowledge on strategy implementation among multidivisional companies in Kenya and where necessary make recommendations for further research
3. Provide vital information to facilitate multidivisional companies in Kenya to design appropriate methods geared towards improving their strategy implementation.
4. Inform the CMC Motors management on how to successfully implement its strategies and how it could purpose to mitigate the challenges it faces if any.
5. It can also be useful to the stakeholders specifically shareholders and other interested parties, which may lead them to make informed decisions on the management of the company.

CHAPTER TWO: LITERATURE REVIEW

2.1 The Concept of Strategy

Strategy is a multi-dimensional concept and various authors have defined strategy in different ways. Chandler (1962), in strategy and structure, calls strategy "… the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and allocation of resources necessary for carrying out these goals". Strategy is the match between an organization's resources and skills and the environmental opportunities and risks it faces and the purpose it wishes to accomplish (Hofer 1978). It is meant to provide guidance and direction for activities of the organization, since strategic decisions influence the way organizations respond to their environment, the purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment (Schendel and Hofer, 1979).

According to Ansoff (1965), the concept of strategy is the firm's business and the common thread which is arrived at through the use of product-market scope. Andrews (1971), defines strategy in terms of corporate strategy as the pattern of major objectives, purposes, or goals and essential policies and plans for achieving those goals, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be. According to Jauch and 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 (1994) defines strategy as a pattern in a stream of decisions and actions. He defines strategy as a plan, ploy, pattern, position, and perspective.

Webb (1989), defines strategy as the process of deciding a future course for a business and so organising and steering that business as to attempt to bring about that future course. It is the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a changing environment and to fulfil stakeholders' expectations Johnson and Scholes (2002).

By the concept of strategy, we mean its content and substance. Hax and Majluf (1996) have presented strategy as a multidimensional concept that embraces all the critical activities of the firm, providing it with a sense of unity, direction, and purposes, as well as facilitating the necessary changes induced by its environment. They provide a unified definition of the concept of strategy as: a means of establishing the organizational purpose in terms of its long-term objectives, action programs, and resource allocation; a definition of the competitive domain of the firm; a response to external opportunities and threats, and internal strengths and weaknesses, in order to achieve a sustainable competitive advantage; a way to define managerial tasks with corporate, business, and functional perspectives; a coherent, unifying, and integrative pattern of decisions; a definition of the economic and noneconomic contribution the firm intends to make to its stakeholders; an expression of strategic intent: stretching the organization; a means to develop the core competencies of the organization; and as a means of investing in tangible and intangible resources to develop the capabilities that assure a sustainable advantage.

Strategic management refers to the managerial process of forming a strategic vision, setting objectives, crafting a strategy, implementing and executing the strategy, and then over time initiating whatever corrective adjustments in the vision, objectives, strategy, and execution are appropriate. In crafting a strategy, management is saying, in effect, "Among all the paths and actions we could have chosen, we have decided to move in this direction, focus on these markets and customer needs, compete in this fashion, allocate our resources and energies in this ways, and rely on these particular approaches to doing business". A strategy thus entails managerial choices among alternatives and signals organizational commitment to specific markets, competitive approaches, and ways of operating (Thompson and Strickland, 2003).

Strategic management is a process in the sense that strategies are the outcomes of careful objective analysis and planning (Lynch, 2000). It has been considered by Hofer (1984) as a process which deals with fundamental organizational renewal and growth with development of strategies, structures, and systems necessary to effectively manage the strategy formulation and implementation process. Harrison and St.Johns (1998) see strategic management as a process, through which organizations analyze and learn their internal and external environments, establish strategic direction, create strategies and execute these strategies.

As a process, strategic management consists of different phases which are sequential in nature (Kazmi,2002). These phases include: establishing the hierarchy of strategic intent, formulation of strategies, implementation of strategies, and performing strategic evaluation and control. It should be noted here that the division of strategic management into different phases is for purposes of orderly study. In real life, the formulation and implementation processes are intertwined (Andrews,1971).

Strategic management involves three broad considerations: strategic analysis, strategic choice, and strategy implementation. Strategic analysis assesses the nature of the environment; takes an audit of environmental influences; the organization's competitive position as well as key opportunities and threats using techniques such as SWOT, PEST(EL), Value Chain (VC) analysis as well as Porter's Five forces Model (Pearce and Robinson, 2000; Porter, 1980). The organization then chooses its strategic position. Strategic choice includes identifying bases of strategic options to determine the strategic direction. The bases arise from an understanding of stakeholder expectations and influence (Johnson and Scholes, 2002). Finally, strategy implementation deals with the translation of strategy into action. It requires good strategic architecture of the organization and should thus take into account how the various parts of the organization work together in a manner that optimizes resource utilization (Johnson and Scholes, 2002).

Strategy formulation is the entire management function of establishing organization direction, setting objectives, and devising a managerial game plan for the organization to pursue (Thompson and Strickland,1989). According to Bowman (1987), strategy formulation is a decision making process which is primarily concerned with: the development of organization's objective, the commitment of its resources, and environmental constraints; so as to achieve its objectives. Hunger and Wheelen (1995), view it as the development of long-range plans for the effective management of environmental opportunities and threats in light of corporate strengths and weaknesses, up to and including defining the corporate mission, specifying achievable objectives, deciding strategies, and setting policy guidelines.

There are various views of strategy. The rational analytical view regards strategy formulation as a formal and disciplined process leading to a well defined organizational wide effort aimed at the complete specification of organizational strategies (Hax and Majluf, 1991). This view (also called design school) has been supported by other authors like Ansoff (1984) and Porter (1980), where strategy is regarded as a deliberate effort, which is formalized with the objective of defining the long-term direction of an organization.

The emergent view of strategy (also called the process school) considers strategies as emerging from the environmental conditions and circumstances and thus strategy is constantly adjusted with time in what Mintzberg and Waters (1985) refer to as "strategic learning".

Mintzberg et al (1998) draw a distinction between planned or deliberate strategies and emergent ones. They argue that deliberate strategy focuses on control, making sure that managerial intentions are realized in action while emergent strategy emphasizes on learning- coming to understand through the taking of actions. Thus, the process of emergent strategy can continue until the organization converges on the pattern that becomes its strategy.

Strategy formulation process has been viewed by Hofer and Schendel (1978), as a special kind of problem solving process for defining an organization's strategy. Their review of major prescriptive strategy formulation models indicates that they all include, either explicitly or implicitly, the following steps: strategy identification, environmental analysis, resource analysis, gap analysis, strategic alternatives, strategy evaluation, and finally strategic choice. Formulating strategy is not just a one-task event. It is a process that is carried out through the tasks of: developing a strategic vision, establishing objectives, and finally crafting a strategy.

The strategic management process does not end when the firm decides what strategy or strategies to pursue. The strategic plan devised by the organization proposes the manner in which the strategies could be put into action. Strategies, by themselves, do not lead to action. They are statements of intent. Implementation tasks are meant to realise the intent. These tasks include: allocation of resources, designing of structures and systems, formulating of functional policies etc. The different aspects involved in strategy implementation cover practically everything that is included in the discipline of management studies (Kazmi, 2002).

Strategy formulation and implementation differ in many ways. For example, strategy formulation is positioning forces before the action while implementation is managing the forces during the action. Unlike strategy formulation, strategy implementation varies substantially among different types of organizations (Alexander, 1985). The aspects of strategy formulation and implementation are outlined in the model overleaf (Figure 1.). This strategy formulation and implementation model, developed by Mintzberg and Quinn (1996), recognizes strategy formulation and implementation as a process. This is important since a change in one or more components involved in the process. As Mintzberg and Quinn (1996) observed, this model provide for the sequential nature of strategy formulation.

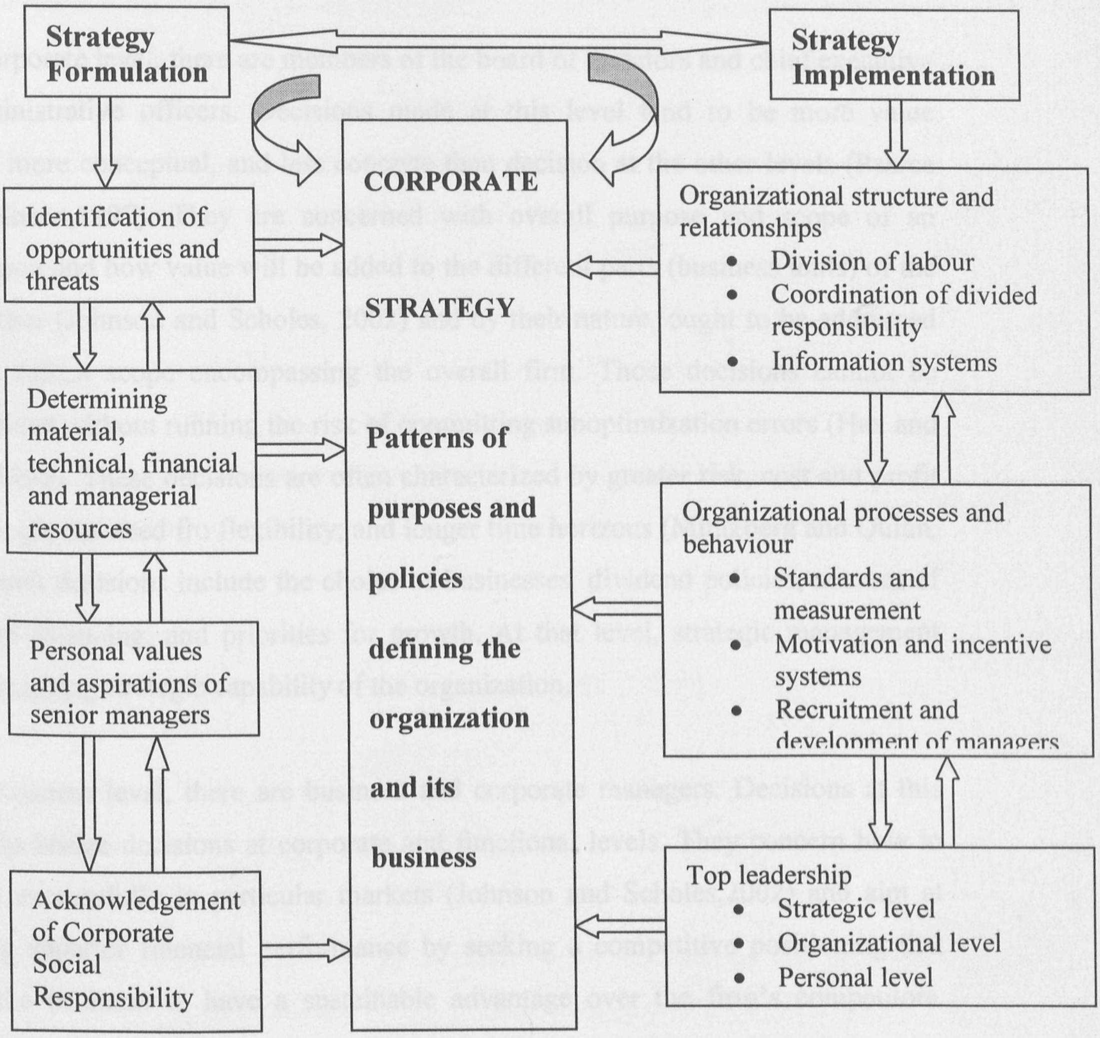

Figure 1. Strategy Formulation and Implementation Model

Source: *The Strategy Process, Concepts, Contexts, and Cases*; 3rd Edition, Mintzberg and Quinn (1996), Pg. 50

2.2 Levels of Strategy

Strategy in organizations is viewed from three levels: corporate, business, and functional levels. Sometimes another level exists in some organizations i.e the operational level, which is synonymously seen as the functional level. The characteristics of strategic management decisions vary with the level of strategic activity considered.

At the corporate level, there are members of the board of directors and chief executive and administrative officers. Decisions made at this level tend to be more value oriented, more conceptual, and less concrete than decision at the other levels (Pearce and Robinson,1997). They are concerned with overall purpose and scope of an organization and how value will be added to the different parts (business units) of the organization (Johnson and Scholes, 2002) and by their nature, ought to be addressed with the fullest scope encompassing the overall firm. Those decisions cannot be decentralized without running the risk of committing suboptimization errors (Hax and Majluf, 1991). These decisions are often characterized by greater risk, cost and profit potential; greater need fro flexibility; and longer time horizons (Mintzberg and Quinn, 1996). Such decisions include the choice of businesses, dividend policies, sources of long term financing, and priorities for growth. At that level, strategic management entails assessing strategic capability of the organization.

At the business level, there are business and corporate managers. Decisions at this level help bridge decisions at corporate and functional levels. They concern how to compete successfully in particular markets (Johnson and Scholes,2002) and aim at obtaining superior financial performance by seeking a competitive positioning that allows the business to have a sustainable advantage over the firm's competitors. Business managers are supposed to formulate and implement strategic actions congruent with the general corporate directions, constrained by the overall resources assigned to the particular business unit (Hax and Majluf,1996). They are principally concerned with: forming responses to changes underway in the industry, the economy at large, the regulatory and political arena, and other relevant areas; crafting competitive moves and market approaches that can lead to sustainable competitive advantage; building competitively valuable competencies and capabilities; uniting the strategic initiatives of functional departments; and addressing specific issues facing the company's business (Thompson and Strickland,2003).

Functional level decisions implement the overall strategy formulated at the corporate and business levels. These decisions incur only modest costs because they are dependent on available resources (Lynch, 2000; Pearce and Robison, 1997). They not only consolidate the functional requirements demanded by the corporate and business strategies, but also constitute the depositories of the ultimate capabilities needed to develop the unique competencies of the firm (Hax and Majluf, 1996). Consequently, strategies resultant at this level include: Research and Development, Technology and Engineering, Supply chain management, Manufacturing, Sales, Marketing, Promotion and Distribution, Human Resources, and Financial strategies among others.

Sometimes ingrained in functional strategy are operational level strategies, concerned with how to manage front line organizational units within a business (plants, sales districts, distribution centres) and how to perform strategically significant operating tasks (materials purchasing, inventory control, maintenance, shipping, advertising campaigns). While of limited scope, operating strategies add further detail and completeness to functional strategies and to the overall business plan. Lead responsibility for operating strategies is usually delegated to front-line managers, subject to review and approval by high-ranking managers (Thompson and Strickland, 2003).

2.3 The Concept of Strategy Implementation

Strategy implementation is one of the components of strategic management and refers to a set of decisions and actions that result in the formulation and implementation of long term plans designed to achieve organizational objectives (Pearce and Robinson, 2003). It is viewed by Thompson and Strickland (1989), as acting on what has to be done internally to put the chosen (formulated) strategy into place and achieve the targeted results. Hunger and Wheelen (1995), see it as the process by which management translates strategies and policies into action through the development of programs, budgets, and procedures. This process might involve changes within the overall culture, structure, and/or the management system of the organization. Its purpose is to complete the transition from strategic planning to strategic management by incorpoprating adopted strategies throughout the relevant system (Bryson, 1995).

Strategy implementation includes considerations of who will be responsible for strategy implementation; the most suitable organizational structure that should support the implementation of strategy (Pettigrew, 1988; Lynch,2000); the need to adapt the systems used to manage the organization (Johnson and Scholes,2002); the key tasks to be carried out and desirable changes in the resource mix of the organization as well as the mandate of each department in the organization and the information systems to be put in place to monitor progress and resource planning (Pearce and Robinson, 1997). Implementation may also take into account the need for retraining the workforce and management of change (Johnson and Scholes,2002).

A brilliant strategy that cannot be implemented creates no real value. Effective implementation begins during strategy formulation when questions of "how to do it?" should be considered in parallel with "what to do?" Effective implementation results when organization resources and actions are tied to strategic priorities, and when key success factors are identified and performance measures and reporting are aligned (Deloitte and Touche, 2003). Implementing strategy is largely an administrative activity and successful implementation depends on working through others, organising, motivating, culture building, and creating strong fits between strategy and how the organization does things (Thompson and Strickland, 2003). It calls for alteration of existing procedures and policies. In most organizations, strategy implementation requires a shift in responsibility from strategists to divisional and functional managers (Kazmi, 2002). It is therefore important to ensure successful implementation. The implementers of strategy should therefore be fully involved in strategy formulation so that they can own the process.

Management issues to strategy implementation include establishing annual objectives, devising policies, allocating resources, altering an existing organization structure, restructuring and reengineering, revising reward and incentive plans, minimizing resistance to change, matching managers with strategy, developing a strategy supportive culture, developing an effective human resource function, and if necessary, downsizing (David,2003). Aosa (1992) points out that once strategies have been developed, they need to be implemented; they are of no value unless they are effectively translated into action. However, poor implementation of an appropriate strategy may cause that strategy to fail (Kiruthi, 2001). An excellent implementation plan will not only cause success of an appropriate strategy, but can also rescue an inappropriate strategy (Hunger and Wheelen,1994). Strategy implementation is therefore crucial to effective management (McCarthy et al.,1996).

The implementation process of a strategy typically impacts every part of the organization structure, from the biggest organizational unit to the smallest frontline work group (Thompson and Strickland, 1998). They point that every manager has to think through the question "what has to be done in my area to implement our part of the strategic plan and what should I do to get these things accomplished?" All managers therefore become strategic implementers in their areas of authority and responsibility and all employees should be involved.

Transforming strategies into action is a far more complex and difficult task. Implementing strategy is a tougher, more time-consuming challenge than crafting strategy. It entails converting the strategic plan into action then into results. Similarly, it is always more difficult to do something (strategy implementation) than to say you are going to do it (strategy formulation) (Thompson and Strickland, 2003; Aaltonen, 2001; David, 2003). It does not therefore automatically follow strategy formulation; it exhibits its own resistance, which can invalidate the planning efforts (Ansoff and McDonnell, 1990). Implementation is successful if the company achieves its strategic objectives and targeted levels of financial performance. What makes it too demanding is the wide sweep of managerial activities that have to be attended to, the many ways managers can tackle each activity, the skill that it takes to get a variety of initiatives launched and moving, and the resistance to change that has to be overcome (Thompson and Strickland, 2003).

Clearly, the implementation of a strategy is not a straightforward process, as one would assume. Bryson (1995) asserts that the earlier steps in the strategic management process are designed to ensure as much as possible that adopted strategies and plans do not contain any major flaws, but it is almost inconceivable that some important difficulties will not arise as strategies are put into practice.

Alexander (1985) identifies inadequate planning and communication as two major obstacles to successful implementation of strategies. Others are ineffective coordination of implementation activities, insufficient capabilities of employees, inadequate training given to lower level employees, lack of clear responsibility being fixed for implementation, lack of support from other levels of management etc (Al-

Ghamdi,1998; Okumus, 2003; Sterling, 2003; Awino, 2001, Koske, 2003; Muthuiya' 2004; Michael, 2004). Thompson and Strickland (2003) state that strategy implementation challenge is to create a series of tight fits between strategy and the organization's competencies, capabilities and structure; between strategy and budgetary allocation; between strategy and policy; between strategy and internal support systems; between strategy and reward structure; and between strategy and the corporate culture.

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

2.4. Framework for Executing Strategy

Thompson and Strickland (2003) note that implementing and executing strategy entails converting the organization's strategic plan into action and then into results. Like crafting strategy, it is a job for the whole management team not just a few senior managers. While an organization's chief executive officer and the heads of major units (business divisions, functional departments, and key operating units) are ultimately responsible for seeing that strategy is implemented successfully, the implementation process typically affects every part of the firm, from the biggest operating unit to the smallest frontline work group. Therefore, all managers become strategy implementers in their areas of authority and responsibility, and all employees are participants.

One of the keys to successful strategy implementation is for management to communicate the case for organizational change so clearly throughout the ranks to carry out the strategy and meet performance targets. Management's handling of the strategy implementation process can be considered successful if and when the company achieves the targeted strategic and financial performance and shows good progress in realizing its long-range strategic vision.

Managing strategy implementation is more art than science. Different business practices, competitive circumstances, work environments, cultures, policies, competitive incentives, mixes of personalities, and organizational histories all require a customized approach to strategy implementation- one based on individual company situations and circumstances, the strategy implementers' best judgement, and the implementers' ability to use particular change techniques adeptly.

2.5 Principal Tasks in Strategy Implementation

In as much as managers' approaches need to be tailor-made for the situation, Thompson and Strickland (1996) point out that there are certain bases that have to be covered no matter what the organization's circumstances: building an organization capable to carry out the strategy successfully; developing budgets to steer ample resources into those value chain activities critical to strategic success; establishing strategy supportive policies and procedures; instituting best practices and pushing for continuous improvement and how value chain activities are performed; installing information, communication, e-commerce, and operating systems that enable company personnel to carry out their strategic roles successfully day in day out; tying rewards and incentives to the achievement of performance objectives and good strategy execution; creating a strategy-supportive work environment and corporate culture; and exerting the internal leadership needed to drive implementation forward and keep improving on how the strategy is being executed.

One or two of these tasks usually end up being more critical or time consuming than others, depending on the organization's financial condition and competitive capabilities, the nature and extent of the strategic change involved, the requirements for creating sustainable competitive advantage, the strength of deep-rooted behaviour patterns that need to be changed, whether there are important weaknesses to correct or competencies to develop, the configuration of personal and organizational relationships in the firm's history, any pressures for quick results and near-term financial improvements, and any other relevant factors.

The Big Managerial Components of Implementing Strategy

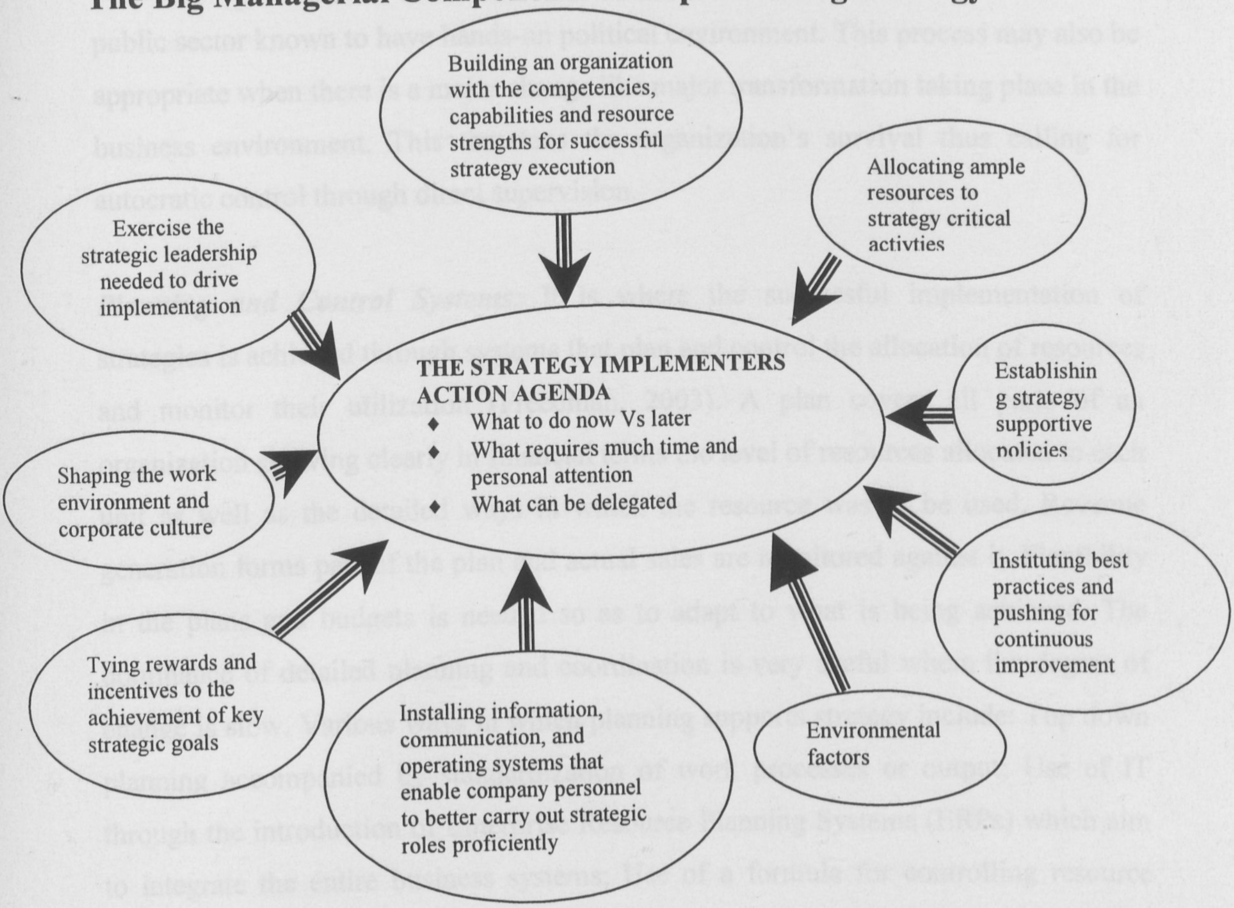

Figure 2: *Adapted from: Thompson and Strickland (1996)* *Strategic Management: Concepts and Cases 9th Edition, Richard D, Irwin. Pg.243.*

2.6 Practices of Strategy Implementation

In organising for success, structure is one of the key ingredients. Johnson and Scholes (2002) argue that within any structure without the formal and informal organizational strategy practices, organizations cannot work effectively. The practices can be said to be the controls on the firm's operations thus they either hinder or help in translation of strategy into action. In reality, a blend of these practices operates but some may dominate others.

Direct Supervision: It is the direct control of strategic decisions by one or a few individuals. This is a process commonly found in small organizations though can also exist in larger organizations experiencing little change, and where the business complexity is not too great for small number of managers to control from the centre

(Feurer and Chaharbaghi, 1995). It is usually found in family businesses and parts of public sector known to have hands-on political environment. This process may also be appropriate when there is a major change like major transformation taking place in the business environment. This threatens the organization's survival thus calling for autocratic control through direct supervision.

Planning and Control Systems: It is where the successful implementation of strategies is achieved through systems that plan and control the allocation of resources and monitor their utilization (Freedman, 2003). A plan covers all parts of an organization showing clearly in financial terms the level of resources allocated to each unit as well as the detailed ways in which the resource was to be used. Revenue generation forms part of the plan and actual sales are monitored against it. Flexibility in the plans and budgets is needed so as to adapt to what is being achieved. The dominance of detailed planning and coordination is very useful where the degree of change is slow. Various ways in which planning supports strategy include: Top down planning accompanied by standardization of work processes or output; Use of IT through the introduction of Enterprise Resource Planning Systems (ERPs) which aim to integrate the entire business systems; Use of a formula for controlling resource allocation within organization where some room for bargaining and fine tuning around the formula may be used as need arises.

Performance Targets: These relate to the outputs of an organization or part of it such as product quality, prices or its outcomes such as profit (Johnson and Scholes, 2002). Unlike the planning process where targets tend to be about resource inputs, performance targets relate to outputs. An organization's performance is judged either internally or externally based on its ability to meet the targets, though within specified boundaries it remains free on how targets should be achieved. This approach may be appropriate in situations where the corporate centre controls the strategies and performance of business units to ensure that corporate objectives are achieved.

Performance targets are usually measured using performance indictors. However, such indicators give partial view of the overall picture of the organization's performance (Pechlaner and Sauerwein, 2002). Some are qualitative in nature while the quantitative performance is dominated by financial analysis. In trying o deal with this weakness, balanced scorecards are now used to identify a varied set of key measures. Balanced scorecards combine both qualitative and quantitative measures while acknowledging the different stakeholder expectations and relate an assessment of performance to choice of strategy. It helps to link performance to both short-term outputs and to the way processes are managed.

Market Mechanisms: These involve some formalized system of contracting for resources or inputs from other parts of an organization and for supplying outputs to other parts of an organization. It has been a dominant process through which organizations relate to their external suppliers, distributors and competitors in most sectors of free market economies (Freedman, 2003). This may begin in a small way in competitive bidding such as the creation of an investment bank or top sliced resources held at the corporate centre and the business units can bid for additional resources for their projects. It is a successful process for supporting innovative ventures especially during the early stages.

Some organizations may have a formal internal market, which then becomes an important management task to regulate and manage it. The internal customer has the right to specify the requirements of the internal market, which may be done in the form of a formal service level agreement with the internal supplier. The agreement has to reflect best performance that would be achieved by third party suppliers from outside the organization.

Social Cultural Processes: These are concerned with organizational standardization of norms. The historical formal processes of coordination might have been successful in the slower moving, less complex environment (Sterling, 2003). However, these may be inadequate to meet the challenges of the 21st century. The social processes and self-controls within organizations are of major importance and they help in delivering successful strategies. They are particularly important in organizations facing complex and dynamic environments because the fostering of innovation is crucial to survive and succeed in these circumstances. It should be allowed to flourish through the social processes, which exist within and between the informal processes whereby individuals and groups interact to share and integrate their knowledge.

Social processes can also be important between organizations in their approach to competition (Pechlaner and Sauerwein, 2002). However, they can create rigidities if the organization wants to change strategy since resistance to change may be legitimised by the cultural norms. In addition, globalisation and new technologies can undermine these processes. To maintain social processes, many organizations commit significant resources to maintaining professional networks both inside and between organizations as a method of keeping in touch with best practice, as well as investing in training and development.

Self Control and Personal Motivation: These achieve the integration of knowledge and coordination of activities by the direct interaction of individuals without supervision (Johnson and Scholes, 2002). Motivation of individuals and their self-control has become increasingly important to performance due to the rapidity of change, increasing complexity and the need to exploit knowledge. Managers need to ensure that individuals have the channels to interact, such as IT and communication infrastructure, and that social processes created by this interaction are regulated to avoid rigidities.

For individuals to have a greater say in their work performance and achieve the organization's goals, there is need to properly support them by availing the necessary resources such as information (Freedman, 2003). In addition, motivation of individuals is strongly influenced by the type of leaders and leadership style used. Credibility of leaders is important and may be built from being a member of the peer group as a professional role model, by demonstrably shaping a favourable context for individuals to act and interact, or form the way in which leaders interface with the business environment like in securing a budget or winning orders.

Michael (2004), found out that self control and personal motivation come top as a process that ensures successful strategy implementation followed by planning and control systems and performance targets. However, her study focused on non-governmental organizations, which to a greater extent are not profit oriented.

Muthuiya (2004), pointed out that how organizations, whether for profit or non-profit, implement their strategies is important because it influences the achievement of their desired outcomes. This process requires organizations to have clear methods, procedures and systems to be able to implement their strategies effectively and efficiently. The process also requires organizations to have the capacity at the organizational level and the capabilities of the relevant staff as well as an enabling environment both internally and externally. The above aspects, he observes, mainly touch on the skills of staff, resources, structures and systems. Others are leadership, culture, organizational policies, and performance and reward systems.

2.7 Tools for Successful Strategy Implementation

The strategic management process is not complete even after the grand strategies are determined and long-term objectives set. When we have finalized the corporate strategy, we must make it work (Wu et al., 2004). The tools of operationalizing and controlling the strategy signal an important phase in the process- translating strategic thought into strategic action. Annual objectives, functional strategies, and specific policies provide important means of communicating what must be done to implement the overall strategy. By translating the long-term intentions into short-term guides to action, they make the strategy operational (Pearce and Robinson, 2003).

Annual Objectives

Annual objectives serve as guidelines for action, directing and channelling efforts and activities of organizational members. They provide a source of legitimacy in an enterprise by justifying activities to stakeholders (Alexander, 1985). They serve as standards of performance and as such give incentives for managers and employees to perform. Annual objectives provide a basis for organizational design. According to David (1979), annual objectives are essential for strategy implementation because they represent the basis for allocating resources; are primary mechanism for evaluating managers; are the major instruments for monitoring progress toward achieving long-term objectives; and they establish organizational, divisional and departmental priorities.

Annual objectives translate long-range aspirations into this year's targets. If well developed, these objectives provide clarity, a powerful motivator and facilitator of effective strategy implementation (Pearce and Robinson, 1997). Annual objectives add breadth and specificity in identifying what must be accomplished to achieve long-term objectives (Stalle et al., 1992).

Annual objectives should be consistent across hierarchical levels and form a network of supportive aims. They should be measurable, consistent, reasonable, challenging, clear, communicated throughout the organization characterized by an appropriate time dimension and accompanied by commensurate rewards and sanctions (Bonoma, 1984). They should be compatible with employees' and managers' values and should be supported by clearly stated policies (Tregoe and Tobia, 1997).

Policies

Policies are specific guidelines, methods, procedures, rules, forms, and administrative practices established to support and encourage work towards stated goals (David, 1997). According to Pearce and Robinson (1997), policies are broad, precedent-setting decisions that guide or substitute for repetitive managerial decision-making and therefore are directives designed to guide the thinking, decisions, and actions of managers and their subordinates in implementing a firm's strategy. Policies set boundaries, constraints and limits on the kind of administrative actions that can be taken to reward and sanction behaviour, they clarify what can and cannot be done in pursuing of an organization's objectives (Galbraith and Nathanson, 1978).

Policies let both employees and managers know what is expected of them, thereby increasing the likelihood that strategies will be implemented successfully. Whatever their scope and form, policies serve as a mechanism for implementing strategies and obtaining objectives. They represent the means for carrying out strategic decisions and hence should be stated in writing whenever possible (Hussey, 1988).

Functional Strategies

A functional area is where goods and services are produced, customers' orders are obtained, new products are designed, employees are trained etc (Newman et al., 1989). They are he shot-term activities that each functional area within a firm must undertake in order to implement the grand strategy. They must be consistent with long-term objectives and grand objectives (Pearce and Robinson, 1997).

According to Aosa (1992), functional level strategy primarily focuses on achieving maximum use of resources i.e attaining maximum resources productivity. Functional strategy address issues regarding the coordination and integration of activities within a single function (Hax an Majluf, 1996).

Each department in a company faces its own set of problems and has developed distinctive traditions. So when a change in business strategy is announced, departments do not automatically revise their actions, instead, the fitting together of the new strategy with behaviour within a department calls for considerable managerial skills (Kazmi,2002). It is important therefore to have close linkages between business strategy and the actions of department managers. Serious efforts to fuse department programs with strategic moves at business level are important. This is because execution of strategy is frequently held back or distorted at the departmental level while sometimes business strategy itself may be unrealistic. In some business organizations, a single industry outlook is unlikely to fit all departments. The outlook in these diverse industries should be taken into account when a specific strategy is being developed. Departments' viewpoints should be closely linked to business strategy (Johnson and Scholes, 2002).

Although annual objectives, specific policies, and functional strategies provide important means of communicating what must be done to implement the firm's strategy, more is needed to implement that strategy successfully (Pearce and Robinson, 1997). While organizations and groups may be assumed as taking strategic actions, it is individuals who ultimately, in practical terms, take actions and are responsible for driving an organization or a group towards objectives. So individual focused issues such as leadership style, personal ethics, and political behaviour become important (Miller, 1996).

2.8 Factors Responsible for Successful Strategy Implementation.

Once strategies have been developed, they need to be implemented. Importantly, unless they are successfully implemented, the organization will not obtain desired results. Successful strategy implementation involves empowering others to act on doing all the things needed to put the strategy into place and execute it proficiently

(Thompson and Strickland, 1998). Bryson (1995) states that the most important outcome that leaders, managers and planners should aim from successful strategy implementation is real value added through goal achievement and increased stakeholders satisfaction. More than ever before, organizations have realized that successful strategy implementation depends on various factors. Aosa (1992) observed that strategy implementation is likely to be successful when congruence is achieved between several elements. Of particular importance include: organization structure, culture (shared values), resource (budget) allocation, staff competencies and capabilities, support systems, reward systems, policies and procedures, and leadership style (Peter and Waterman, 1982; Aosa, 1992; Hunger and Wheelen,1994; Thompson and Strickland, 2003;)

Organizational structure refers to the shape, division of labour, job duties and responsibilities, the distribution of power and decision-making procedures within the company (Okumus, 2003). It simply means the formal framework by which job tasks are divided, grouped, and coordinated (Robins and Coulter, 2002). Organizational structure is a major priority in implementing a carefully formulated strategy. It helps people pull together in their activities that promote effective strategy implementation. The structure of an organization should be compatible with the chosen strategy and if there is incongruence, adjustments will be necessary either for the structure or the strategy itself (Koske, 2003). However, Mintzgerg and Quinn (1991) argue that the central problem in structuring today is not the one on which most organization designers spend their time by dividing up tasks. It is one of emphasis on how to make the whole thing work.

Kariuki (2004) noted that organizations implement their strategies through their organizational structures. For a successful implementation of a business strategy, a supporting organization structure is critical. He found out that the positioning of the functions in the organization structure is equally important as it sets more focus on key functions whose performance is critical to the success of the business strategy and institutionalizes the decision making of the heads of these functions. When the business strategy changes, organization structure is received in light of the changes in strategy to maintain the relevance of the structure.

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

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

As strength, culture can facilitate communication, decision-making, and control, and can create co-operation and commitment. As a weakness, culture may obstruct the smooth implementation of strategy by creating resistance to change (Pearce and Robinson, 1988). Aosa (1992) stated that it is important that the culture of an organization be compatible with the strategy being implemented because where there is incompatibility between strategy and culture, it can lead to a high organizational resistance to change and de-motivation which in turn can frustrate the strategy implementation effort. However, when culture influences the actions of the employees to support current strategy, implementation is strengthened.

Organizations have at least four types of resources that can be used to achieve desired objectives, namely: financial resources, physical resources, human resources, and technological resources (David,2003). Resource (budgetary) allocation is the process of ensuring that all necessary time, financial, skills and knowledge are made available (Okumus, 2003). Once a strategic option has been settled upon (in the strategic selection stage), management attention turns to evaluating the resource implications of the strategy (Campbell et al., 2002). The operating level must have the resources needed to carry out each part of the strategic plan (Harvey, 1998). It should therefore be possible to implement a strategy with the resources available and it is not possible to implement a strategy which requires more resources than can be made available.

Okumus (2003) suggests key issues to be considered as: the procedures of securing and allocating financial resources for the new strategy; information and knowledge requirements for the process of implementing a new strategy; the time available to complete the implementation process; and political and cultural issues within the company and their impact on resource allocation. According to Thompson and Strickland (1998), strategy implementers should be prepared to shift resources from one area to another in the support of new strategic initiatives and priorities since a change in strategy almost always requires budget reallocations. How well the strategy implementer links budget allocations to the needs of strategy can either promote or impede the execution process. Depriving strategy-critical groups of the funds required to execute their pieces of the strategy can undermine the implementation process.

Recruitment and staff development strategies need to support the other factors. In addition, aspects of job design, reward packages and conditions of work have to be carefully considered to balance the needs of the organization with conditions of the labour market and the hopes and expectations of the people (Saunders, 1994). According to Okumus (2003), this involves recruiting new staff and providing training incentives for relevant employees. Gunnigle and Moore (1994) argue that organizations will experience severe problems in strategy implementation if it is not effectively linked with appropriate personnel policy choices. A policy need to be in place that allows for recruitment of new staff as per requirements of the new business strategy implementation. Thompson and Strickland (2003) point out that staffing the organization i.e. putting together strong management team, and recruiting and retaining employees with the needed experience, technical skills, and intellectual capital assures successful strategy implementation.

Company strategies cannot be implemented or executed well without a number of support systems for business operations. Systems means all the procedures, formal and informal, that make the organization go day by day and year by year; capital budgeting systems; training systems; cost accounting procedures; and budgeting systems (Mintzberg and Quinn, 1991). Organizational structures specify the allocation of responsibilities for specific tasks. These activities need to be carried out efficiently because they reinforce the implementation of strategy. According to Aaltonen and Ikavalko (2001), linking organizational goal setting systems is very essential in strategy implementation.

Innovative state-of-the-art support systems can be a basis for competitive advantage if they give a firm capabilities that rivals can't match. In today's business environment, competitive advantage goes to those firms most able to mobilize information and create systems to use knowledge effectively. Accurate, timely information allows organizational members to monitor progress and take corrective action promptly. Effective companies gather, analyze, and communicate data and information at Internet speed.

Prescribing policies and operating procedures aids the task of implementing strategy in several ways. New or revised policies and procedures provide top-down guidance to operating managers, supervisory personnel and employees regarding how certain things now need to be done and what behaviour is expected, thus establishing some degree of regularity, stability, and dependability in how management has decided to try to execute the strategy and operate the business; they help align actions and behaviour with strategy throughout the organization, placing limits on independent action and channelling individual and group efforts along the intended path.

Policies and procedures counteract tendencies for some people to resist or reject common approaches. Most people refrain from violating company policy or ignoring established practices without first gaining clearance or having strong justification. Policies and standardised operating procedures help enforce needed consistency in how particular strategy-critical activities are performed in geographically scattered operating units.

Eliminating significant differences in the operating practices and procedures of organizational units performing common functions is frequently desirable to avoid sending mixed messages to internal personnel and to customers who do business with the company at multiple locations. Because dismantling old policies and procedures and instituting new ones invariably alter the internal work climate, strategy implementation can use the policy-changing process as a powerful lever for changing the corporate culture in ways that provide a stronger fit with the new strategy. Company managers therefore need to be inventive in devising policies and practices that can provide vital support to effective strategy implementation and execution. Well-conceived policies and procedures aid implementation; out-of-sync-policies are barriers (Thompson and Strickland,2003).

It is important for both organizational subunits and individuals to be enthusiastically committed to executing strategy and achieving performance targets. Company managers typically try to enlist organization wide commitment to carrying out the strategic plan by motivating people and rewarding them for good performance. To get employees' sustained, energetic commitment, management has to be resourceful in designing and using motivational incentives-both monetary and otherwise. The role of the reward system is to align the well being of organization members with realizing the company's vision, so that organization members benefit by helping the company execute its strategy competently and fully satisfy customers.

Most importantly, leadership is needed for effective strategy implementation, as this will ensure that the organization effort is united and directed towards achievement of its goals (Pearce and Robinson, 1988). According to Koske (2003), leadership is considered to be one of the most important elements affecting organizational performance. The leadership of the organization should be at the forefront in providing vision, initiative, motivation, and inspiration. The management should cultivate team spirit and act as a catalyst in the whole strategy implementation process. As much as possible, the leadership of the organization should fill relevant positions with qualified people committed to he change efforts (Bryson,1995).

Moreover, a strategy manger has many different leadership roles to play. However, in pushing for good strategy execution, managers have five leadership roles to play as suggested by Thompson and Strickland (2003). They include:

1. Staying on top of what is happening, closely monitoring progress, ferreting out issues, and learning what obstacles lie in the path of good execution. A

manager therefore needs to develop a broad network of contacts and sources of information, both formal and informal. Managing by walking around (MBWA) is one of the techniques effective leaders use to stay informed on how well strategy implementation and execution are proceeding.

2. Promoting a culture and espirit de corps that mobilizes and energizes organizational members to execute strategy in a competent fashion and perform at a high level.

   Successful culture changes have to be personally led by top management; it is a task that can't be delegated to others. What organizational leaders say and do plants the seeds of cultural change. Only the top management has the power and organizational influence to bring about major change in a company's culture.

3. Keeping the organization responsive to changing conditions, alert for new opportunities, bubbling with innovative ideas, and ahead of rivals in developing competitively valuable competencies and capabilities. The faster the company's business environment changes, the more attention managers must pay to keeping the organization innovative and responsive. Identifying and empowering champions helps promote an environment of innovation and experimentation.

4. Exercising ethics leadership and insisting that the company conducts its affairs like a model corporate citizen. It is a constant organization-building challenge to broaden, deepen, or modify organizational capabilities and resource strengths in response to ongoing customer-market changes. High ethical standards cannot be forced without the open and unequivocal commitment of the chief executive. Managers are an organization's ethics teachers-what they do and say sends signals and what they don't do and say sends signals.

5. Pushing corrective actions to improve strategy execution and overall strategic performance. The challenge here is two-fold: deciding when to make. Corrective adjustments in the company's approach to executing strategy are normal and have to be made as and when needed. However, this process varies according to the situation.

2.9 The Nature of a Multidivisional Company

This is built up of separate divisions on the basis of products, services, markets, or geographical areas. Divisionalization often comes about as an attempt to overcome the problems that functional structures have in dealing with the diversities that emanate. So, divisionalization allows tailoring of the product/market strategy to the requirements of each separate division and can improve the ownership of strategy by divisional staff (Johnson and Scholes, 2002).

According to Pearce and Robinson (1997), a divisional structure allows corporate management to delegate authority for the strategic management of distinct business entities- the divisions. This expedites decision-making in response to varied competitive environments and enables corporate management to concentrate on corporate-level strategic decisions. The divisions usually are given profit responsibility, which facilitates accurate assessment of profit and loss.

Mintzberg (1979), notes that the divisionalized firm relies on the market basis for grouping units at the top of the middle line. Division are created according to markets served and are then given control over the operating functions required to serve these markets. The dispersal (and duplication) of the operating functions minimizes the interdependence between divisions, so that each can operate as a quasi-autonomous entity, free of need to coordinate with others. Thus the span of control at the strategic apex of the divisionalized form can be rather wide.

Mintzberg continues to note that this structural arrangement naturally leads to pronounced decentralization from the headquarters: each division is delegated the powers needed to make the decisions concerning its own operations. But the decentralization called for in the divisionalized form is highly circumscribed: not necessarily more than the delegation from the few managers at the headquarters to the few more managers who run the divisions. In other words, the divisionalized form calls for decentralization of the parallel, limited vertical variety.

Were the headquarters to delegate all its powers to the division managers, it would cease to exist, and each division would, in fact, emerge as an independent organization. So some form of control or coordination is required between headquarters and the divisions. The question then becomes: how can the headquarters maintain control while allowing each division sufficient autonomy to manage its operations? Mintzberg provides an answer that lies in one specific design parameter: the performance control system. In general, the headquarters allows the divisions close to full autonomy make their own decisions, and then monitors results of these divisions.

However, the divisional form works best with machine bureaucratic structures it its divisions and, moreover, drives these structures, no matter what their natural inclinations, toward the machine bureaucratic form. There is a sharp division of labour between the head quarters and the divisions. Communication between the two is, for example, circumscribed and largely formal, in good part restricted to the transmission of performance standards down to the divisions and of performance results back up. This is supplemented by personal interchanges between the managers at the two levels, but that is carefully limited. Too much detailed knowledge at the headquarters level can invite meddling in the decisions of the divisions, thereby defeating the very purpose of divisionalization, namely divisional autonomy (Mintzberg, 1993)

In the divisionalized form, the divisions are given the power to run their own businesses. They control the operations and determine the strategies for the markets that fall under their responsibility. Holden et al (1968) in Mintzberg (1979), received unanimous responses on asking about the powers retained by the headquarters. The responses were as: setting corporate objectives, strategic planning, determination of basic policies, finance, accounting systems, basic research, consummation of mergers or acquisitions, approval of capital expenditure over prescribed limits, setting of executive salaries and bonuses above certain levels, and selection of individuals for positions down to specific echelons in the organization.

Mintzberg (1979), provides six headquarters functions in particular:

Management of the strategic portfolio: Establishing, acquiring, selling, and closing down divisions in order to change its mix of products and markets;

Allocation of the overall financial resources: Only pooled coupling exists among divisions. That is, they do not pass their work back and forth but do share common financial resources. It is clearly the responsibility of the headquarters to manage these resources-to draw excess funds from the divisions that do not need the, to raise additional funds in the capital markets where necessary, and allocate available funds among the divisions that do need them;

Designing of the performance control system: The managers there, with the aid of their own techno structure, set up the system: they decide on performance measures and reporting periods, establish formats for plans and budgets, and design an MIS to feed performance results back to the headquarters. They then operate the system, setting targets for each reporting period, perhaps jointly with the divisional mangers, and reviewing the MIS results;

Replacement and appointment of the divisional managers: This is a crucial power in the divisionalized form, because the structure precludes the direct interference by the headquarters managers in the operating affairs of the divisions; the closest they can come is to determine who will run the divisions;

Monitoring of divisional behavior on personal basis: Here coordination reverts partly back to direct supervision as a supplement to the standardization of outputs. Headquarters managers visit the divisions periodically to "keep touch" to get to know them well enough to be able to foresee them. Such knowledge also enables the headquarters mangers to assess requests by divisions for large capital expenditures, and it gives them knowledge of the people in the divisions when replacements must be made;

Provision of certain support services common to the divisions: These include among others finance, legal secretariat, personnel, research and development, and public relations.

Mintzberg concludes that market diversity, technical system, environment, age and size, and power are the major conditions of the divisionalized form.

2.10 Challenges to Strategy Implementation.

Challenges that occur during the implementation process of a strategy are an important area of research because even the best strategy would be ineffective if not implemented successfully. Despite the fact that challenges to successful strategy implementation have not been widely investigated, there are some issues that have surfaced in many studies (Muthuiya, 2004). Over 15 years ago, Alexander (as in Al-Ghamdi,1998) claimed that the overwhelming majority of the literature has been on the formulation side of the strategy and only lip service has been given to the implementation side.

The most important problem experienced in strategy implementation in many cases is the lack of sufficient communication. Aaltonen and Ikavalko (2001) state that the amount of strategic communication in most of the organizations is large, both written and oral communication is used in form of top down communications. However, a great amount of information does not guarantee understanding and there is still much to be done the field of communicating strategies. According to Wang (2000), communication should be two-way so that it can provide information to improve understanding and responsibility, and to motivate staff. Also, they argue that communication should not be seen as a once-off activity focusing on announcing the strategy. It should be an on-going activity throughout the implementation process. In many cases it is not so and therefore communication still remains a challenge to strategy implementation process.

Before any strategy can be implemented, it must be clearly understood. Clear understanding of a strategy gives purpose to the activities of each employee and allows them to link whatever task is at hand to the overall organizational direction (Byars et al., 1996). Lack of understanding of a strategy is one of the obstacles of strategy implementation (Aaltonen and Ikavalko, 2001). They point out that many organizational members typically recognize strategic issues as important and also understand their context in generic terms. However, the problem in understanding arise when it comes to applying strategic issues in the day-to-day decision making.

Al-Ghamdi (1998) identified barriers to strategy implementation which include: Competing activities that distract attention from implementing the decision; Changes in responsibilities of key employees not clearly defined; Key formulators of the strategic decision not playing an active role n implementation; Problems requiring top management involvement not communicated early enough; Key implementation tasks and activities not sufficiently defined; Information systems used to monitor implementation are inadequate; Overall goals not sufficiently understood by employees; Uncontrollable factors in the external environment; Surfacing of major problems which had not been identified earlier; Advocates and supporters of the strategic decision leaving the organization during implementation; and implementation taking more time than originally allocated.

Meldrum and Atkinson (1998) identified two problems of implementation: a flawed vision of what it means to be in a strategic position within an organization; and a myopic view of what is needed for successful management of operational tasks and projects within a strategic brief. Studies by Okumus (2003) found that the main barriers to the implementation of strategies include lack of coordination and support from other levels of management, and resistance from lower levels and lack of or poor planning activities. Freedman (2003) lists out of a number of implementation pitfalls: strategic inertia; lack of stakeholder commitment; strategic drift; strategic dilution; strategic isolation; failure to understand progress; initiative fatigue; impatience; and not celebrating success.

Sterling (2003) identified reasons why strategies fail as: Unanticipated market changes; Lack of senior management support; Effective competitor responses to strategy; Application of insufficient resources; Failure of buy-in, understanding, and/or communication; Timeliness and distinctiveness; Lack of focus; and Bad strategy poorly conceived business models. Sometimes strategies fail because they are simply ill conceived. For example business models are flawed because of a misunderstanding of how demand would b met in the market.

Awino (2001) identified four problem areas affecting successful strategy implementation: Lack of fit between strategy and structure; inadequate information and communication systems; and Failure to impart new skills. Koske (2003) observes that there are many organizational characteristics, which act to constrain strategy implementation. He identified most challenges as concerning: Connecting strategy formulation to implementation; Resource allocation; Match between structure with strategy; Linking performance and pay to strategies; and Creating a strategy-supportive culture.

Whilst the strategy should be chosen in a way that it fit the organization structure, the process of matching structure to strategy is complex (Byars et al, 1996). The structure that served the organization well at a certain size may no longer be appropriate for its new or planned size. The existing structures and processes in the organization support the current ways of doing things if the strategy indicates that the organization need to behave in different ways, there is likely to be problems should the existing structures be used to implement the changes (Campbell et al, 2002). The current structures may as ell distort and dilute the intended strategy to the point where no discernible change takes place. According to McCarthy et al (1996), creating that structure and the attendance behaviour changes is a formidable challenge. The fundamental challenge for mangers is the selection of the organization structure and controls that will implement the chosen strategies effectively.

Cultural impact underestimation is yet another challenge to strategy implementation. The implementation of a strategy often encounters rough going because of deep-rooted cultural biases. It causes resistance to implementation of new strategies especially in organizations with defender cultures. This is because they see change as threatening and tend to favour "continuity" and "security" (Wang, 2000). It is the strategy maker's responsibility to choose a strategy that is compatible with the "sacred" or unchangeable parts of prevailing corporate culture (Thompson and Strickland, 1989).

Creating an organization culture, which is fully harmonized with strategic plan, offers a strong challenge to the strategy implementer's leadership abilities. Aosa (1992) observes that lack of compatibility between strategy and culture can lead to high organizational resistance to change and de-motivation, which can in turn frustrate the strategy implementation.

Resource insufficiency is another common strategy implementation challenge. David (2003) argues that allocating resources to particular divisions and departments does not mean that strategies will be successfully implemented. This is because a number of factors commonly prohibit effective resource allocation. These include: overprotection of resources, too great emphasis on short-run financial criteria, organizational policies, vague strategy targets, reluctant to take risks, and lack of sufficient knowledge.

Also established organizations may experience changes in the business environment that can make a large part of their resource base redundant and unless they are able to dispose off those redundant resources, they may be unable to free sufficient funds to invest in the new resources that are needed and their cost base will be too high (Johnson and Scholes, 2002).

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

Organizations often find it difficult to carry out their strategies because they have executive compensation systems that measure and reward performance in a way that ignores or even frustrates strategic thinking, planning, and action (McCarthy et al, 1996). Most incentive programs are designed only for top management and lower levels of management and operative employees do not normally participate (Byars et al, 1996). If strategy accomplishment is to be a really top priority, then the reward structure must be linked explicitly and tightly to actual strategic performance (Thompson and Strickland, 1998). Bryson (1995) asserts that people must be adequately compensated for their work. McCarthy et al (1996). Argue that in many companies, much effort has been put into both strategy formulation and resource allocation process as a way to improve implementation and unfortunately, effort have not been wholly effective because the necessary measurement and rewards system that completes the cycle is lacking.

At its simplest, strategy is all about managing change and resistance to change can be considered the single greatest threat to successful strategy implementation. Strategic change is the movement of an organization from its present state toward some desired future state to increase its competitive advantage (Hill and Jones, 1999). The behaviour of individuals ultimately determines the success of failure of organizational endeavours and top management concerned with strategy and its implementation must realize this (McCarthy et al, 1996). Change may also result to conflict and resistance. People working in organizations sometimes resist such proposals and make strategy difficult to implement (Lych, 2000). This may be due to result of anxiety to fear of economic loss, inconvenience, uncertainty, and a break in normal social patterns (David, 2003).

Organizational politics, unavoidable aspects, remains another key challenge in strategy implementation. Organization politics are tactics that strategic managers engage in to obtain and use power to influence organizational goals and change strategy and structure to further their own interests (Hill and Jones, 1999). Wang (2000), states that it is important to overcome the resistance of powerful groups because they may regard the change caused by new strategy as a threat to their own power. Top-level managers constantly come into conflict over what correct policy decisions would be and power struggles and coalition building is a major part of strategic decision making. According to them, the challenge organizations face is that the internal structure of power always lags behind changes in the environment because in general, the environment changes faster than the organization can respond.

2.11 Outcomes of Strategy Implementation

There are three ways that can assess the success of a strategy at its implementation stage. The success or failure of strategies will be related to three main success criteria: Suitability, Acceptability, and Feasibility (Johnson and Scholes, 2002).

Suitability is concerned with whether the strategy addresses the circumstances in which an organization is operating. It can be thought of as a rationale of a strategy and whether it makes sense in relation to the strategic position of an organization. Acceptability is concerned with the expected performance outcomes of a strategy and the extent to which thee outcomes would be in line with expectations. Finally, feasibility is concerned with whether a strategy could be made to work in practice. Assessing the feasibility of a strategy requires an emphasis on more detailed practicalities of re-sourcing and strategic capability. It is important to assess the organization's capability to deliver a strategy in terms of all the resources and competencies needed to succeed.

The outcomes of strategy implementation can be summarised by the Model of Strategy Implementation Outcomes presented below.

Strategy Formulation

Strategy Implementation	Good	Poor
Good	Success	Roulette
Poor	Trouble	Failure

2.12 Research Findings on Strategy Implementation Challenges in Local Contexts

As revealed in section 2.10 above, organizations face numerous challenges during the strategy implementation process. However, it should be noted that these challenges are contingent upon the organizations' situational factors, both internal and external; and the nature of industry and the sector (public, private or nongovernmental) in which the organization belongs. Studies in the local setting have been done under different contextual environments hence largely different research findings. Some of these studies include Aosa (1992); Awino (2000); Koske (2003); and Muthuiya (2004) among others.

Aosa (1992) carried out an empirical investigation into aspects of strategy formulation and implementation within large, private manufacturing companies in Kenya. On the aspect of strategy implementation, his findings revealed a number of implementation challenges that these firms faced. Amongst them include: implementation taking longer time that was originally allocated; uncontrollable factors in the external environment; major obstacles surfacing during implementation that had not been identified beforehand; competing activities and crises distracting attention from implementing the decisions; key implementation tasks not being defined in enough detail; inadequate resources made available; and coordination of implementation activities not effective enough.

Awino's (2000) study was on effectiveness and problems of strategy implementation of financing higher education in Kenya by the Higher Education Loans Board (HELB). The study focused on constraints in implementing the loans recovery strategy by HELB. Locating loanees, training of staff, lack of Act enforcement, public awareness of HELB, lack of effective policies, lack of information support system, unemployment of loanees, and lack of follow up of loanees once located among others are some of the constraints the study found out.

Koske (2003) changed the context and looked at strategy implementation and its challenges in public corporations, the case of Telkom Kenya Ltd. Findings of the study revealed that poor management of resources, poor leadership style, lack of financial resources, limited IT capacity, and government regulation among others were major challenges that faced Telkom in implementing its 1999-2003 Strategic Plan.

Lastly, Muthuiya (2004) set forth to study the same phenomenon in the NGO setting, a case of Africa Medical Research Foundation (AMREF)- Kenya. Likewise, the study unearthed challenges that are unique to the setting though some were similar as in other studies. Among major ones included inadequate resources; advocates and supporters of the strategic decision making leaving the organization; unsupportive organization culture; uncontrollable/unforeseen factors in the environment; implementation taking too long; monitoring, planning, coordination, and sharing of responsibilities not well defined; inadequate staff training; and unacceptability of the strategy.

The above evidence qualify the fact that organization-specific contextual environment determine what strategy implementation challenges an organization will face in strategy implementation. This study shifts the context to the motor industry and more specifically to a multidivisional company.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Research Design

This study was conducted through a case study design. It involved an in-depth investigation of the phenomenon of strategy implementation and its challenges in a multidivisional company- CMC Motors Group Limited. This research design has been successfully used by similar studies (Koske, 2003; Muthuiya, 2004).

CMC Motors Group Limited is one of the major vehicle distributors in Kenya and the East African region. The company was selected because of its explicit organizational design that is characteristically multidivisional, purely Kenyan-owned, and conveniently accessible.

3.2. Data Collection Method

The study used primary data that was collected by way of personal interview guided by interview guide consisting of open-ended questions. The guide was developed in line with the objectives of the study.

The respondents of this study were drawn from all levels of management (corporate, divisional/business, and functional/operational). They have been involved in the implementation of strategies in CMC. Majority of the respondents holds same positions across the divisions but at different levels in the hierarchy. The rest, mostly from the corporate level hold positions whose line of authority and scope span across the divisions. From corporate level, managers in charge Finance, Human Resources, etc and those who are overall overseers of the divisions' core business (es) were interviewed. From divisional level, Divisional Managers, Parts Mangers, Service Managers, Sales and Marketing Managers, and a selected number of supervisors in each division were also interviewed. The data was recorded by writing the responses as provided by the respondents.

3.3. Data Analysis

The data obtained was analyzed by way of Content Analysis. This involves the analysis of meanings and implications emanating from respondents' information coupled with documented data regarding strategy implementation. The data was compared with theoretical approaches cited in the literature review. This is because the study sought to solicit data that is qualitative in nature and given that respondents were drawn from a single company but from different levels of management, each group of respondents were responding to different sets of questions.

Analysis also involved comparisons of data obtained from the various divisions to enable a more detailed investigation to determine whether the strategy implementation practices and challenges faced are similar or otherwise across divisions. Data from the various levels of management were compared against one another to enable the study establish congruency or otherwise of the challenges with the respective level of management. This type analysis does not restrict respondents on answers and has potential of generating more information with much detail

CHAPTER FOUR: FINDINGS AND DISCUSSIONS

4.1 Introduction

The study intended to achieve two objectives. The first one was to establish the strategy implementation practices at CMC, and the second was to determine the challenges facing CMC during the implementation process. This chapter presents the findings of the study with regard to these objectives and discussions of the same.

4.2 Strategy Implementation at CMC

The study tried to establish how CMC Motors Group implements its documented strategies (The Strategic Direction Plan). In order to achieve this objective, the research studied the practices adopted by CMC Motors Group to do so. The findings of the study indicate that in order to realize its main themes of offering the best product and service to its customers through integrity, CMC Motors Group implements its strategies by developing planning and control systems; setting performance targets on weekly, monthly, and annual basis; and direct supervision of the implementation process. Others include market mechanisms within departments and among the divisions and cultural practices though not to a greater extent.

The company has spelt out in its Strategic Direction/Plan the major strategic thrusts and action plans formulated for each specific division and/or department to pursue. The plan provides broad guidelines from which each division or department draws its autonomous plan and action plans which, upon implementation leads to the attainment of the overall company objectives and goals. Strategy implementation at CMC covers three major areas. The areas define the company's main business: sale of completely assembled motor vehicles; sale of genuine spare parts of the traded models; and sale of service to customers with the traded models. In translating the strategies and action plans into action and then into acceptable results, the study established that the choice of an implementation practice is dependent on the area in which the implementation activities are undertaken i.e. complete unit sales, parts, or service even though a number of the practices are common across the areas.

Direct supervision involves the direct control of strategic decisions by one or a few individuals. This is commonly prevalent at departmental and divisional levels. In the sales departments, it was established that the respective sales teams are directly supervised by the respective divisional sales and marketing managers to ensure that they deliver in terms of making frequent customer follow-ups, finding potential customers, maintain repeat customers and eventually ensure they hit the set sales targets.

Those selling spare parts through the front and workshop counters are also supervised to ensure customers get what they request for in the shortest time possible and as accurately and adequately as possible. It is done to enable the parts and warehouse managers ensure availability of spare parts in the warehouses, establish reorder levels and lead times, and maintain the optimum stock levels of the spare parts.

Warehouse personnel are also directly supervised to ensure that reception of spare parts, selection and picking of spare parts, dispatch of spare parts, and supply of spare parts to sales counters are carried out in the most effective and efficient way to achieve divisional objectives and overall company objectives and goals. Security is also ensured in the cages that house fast moving spare parts.

A further variation of direct supervision i.e. managing by walking around is adopted more especially by corporate managers to oversee the activities of the divisional level managers and those further below. Funds released to undertake various projects by the divisions are closely monitored by the finance department on how they are utilized after the divisions justify both the feasibility and viability of the respective projects. Most managers adopt direct supervision as a participative approach to strategy implementation. The supervisory exercise is carried out in line with the reporting lines and authority derived from the organizational charts shown in Figures 3a and 3b below.

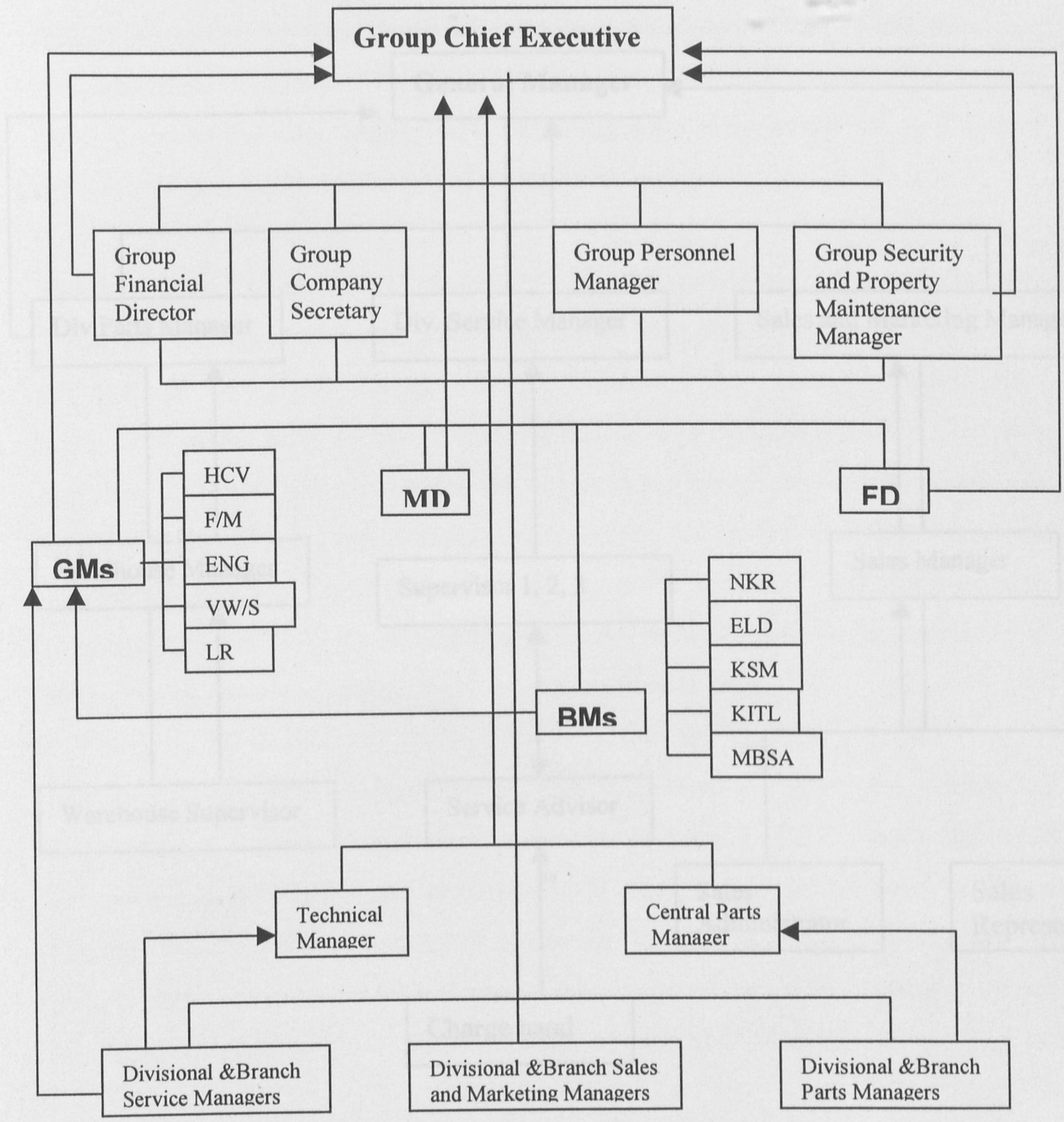

Figure 3a: Overall Organizational Chart, Source: CMC.

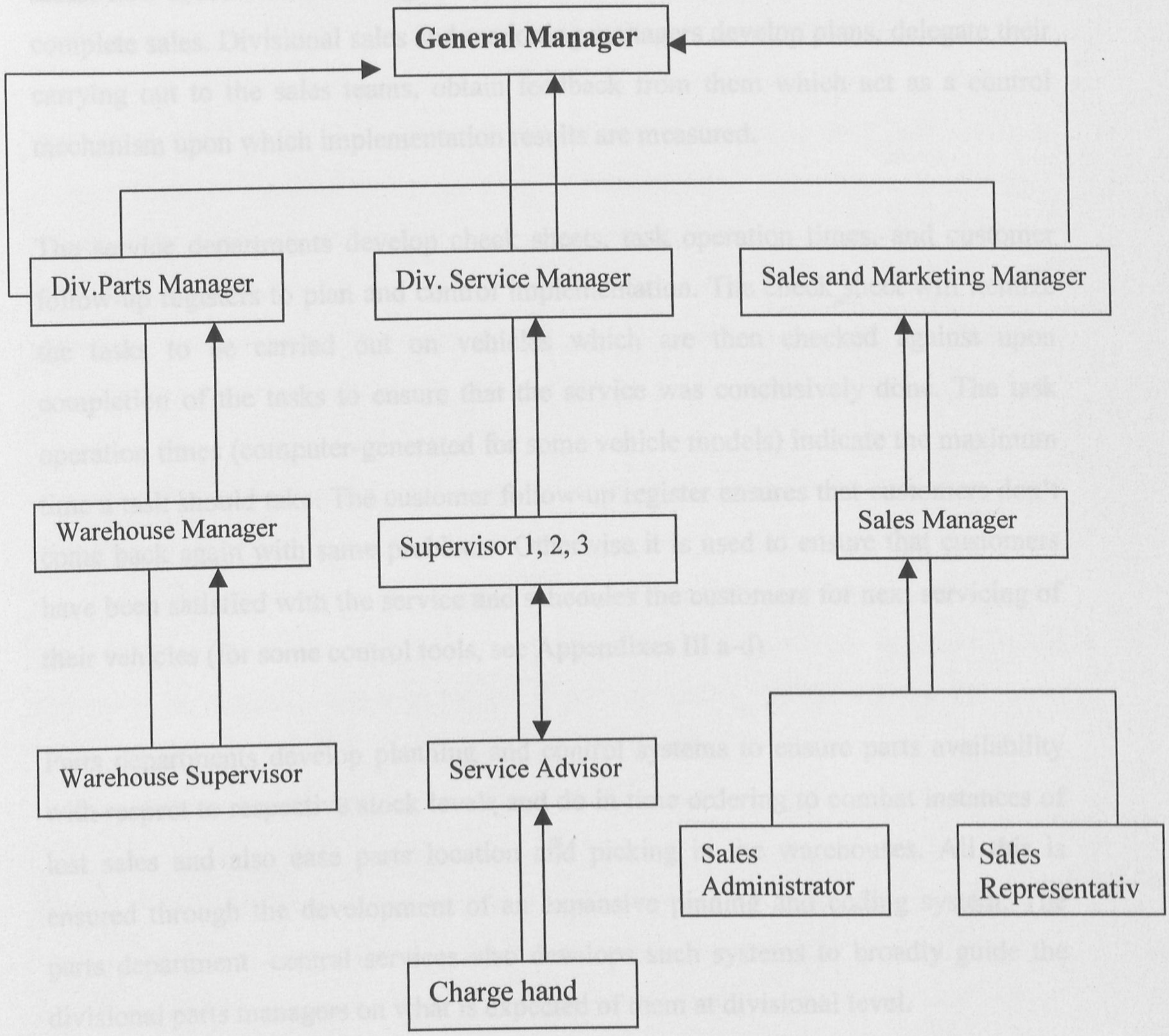

Figure 3b: Divisional Organizational Chart, Source: CMC

Key: ⟶ Reporting direction

Strategy implementation at CMC is also done through the development of planning and control systems. The study established that each division and/or department does this differently depending on the area of concern as earlier noted.

The sales departments do pooling through various outlets and produce a confirmed order list. This list is used as a basis for projections on sales. Aggressive marketing is then staged to widen the clientele base with the list being used as a control tool to assess how successful marketing has proved and how all orders will be translated into complete sales. Divisional sales and marketing managers develop plans, delegate their carrying out to the sales teams, obtain feedback from them which act as a control mechanism upon which implementation results are measured.

The service departments develop check sheets, task operation times, and customer follow-up registers to plan and control implementation. The check sheet will itemize the tasks to be carried out on vehicles which are then checked against upon completion of the tasks to ensure that the service was conclusively done. The task operation times (computer-generated for some vehicle models) indicate the maximum time a task should take. The customer follow-up register ensures that customers don't come back again with same problems. Otherwise it is used to ensure that customers have been satisfied with the service and schedules the customers for next servicing of their vehicles (for some control tools, see Appendixes III a-d)

Parts departments develop planning and control systems to ensure parts availability with respect to respective stock levels and do in time ordering to combat instances of lost sales and also ease parts location and picking in the warehouses. All this is ensured through the development of an expansive pinning and coding system. The parts department -central services also develops such systems to broadly guide the divisional parts managers on what is expected of them at divisional level.

The company also sets performance targets to implement its strategies. The study found out that the targets are set at all levels differing in magnitude depending on the level. At organizational level, CMC in consultation with the respective divisions sets targets for each division. The divisions then set for their respective departments and departments for their respective staffs. The targets are set in light of what a division, department, or individual has been able to achieve in the past. They are majorly set as budgets in terms of unit sales, shilling sales, and task operation times. The targets are set to act as motivational tools to implement the strategies within the set times because some attract special incentives. To quote one sales manager, his motto is "The more you deliver, the more you earn".

The study further established that successful strategy implementation require adequate coordination and collaboration of the implementation activities within the department in a division and among the divisions themselves (market mechanisms). However, it was found out that the uniqueness of the products and services dealt with by each division limits to a greater extent the degree of coordination and collaboration among the divisions. The only collaborative aspect is on financial resources where finances from highly generating divisions are used to finance projects in another lowly generating division when the former doesn't need the cash immediately. This decision is undertaken at corporate level.

Such market mechanisms were largely found to be evident within the divisions' departments. The service department must adequately collaborate with the parts department for adequate supply of parts for it to succeed; the parts department on the other hand would depend on the service department on the supply of adequate in formation on customer demands regarding parts to enable the latter stock the most requested parts. The study established that such mechanisms were an inevitable practice to make strategy implementation at CMC a success.

Finally, it was established that managers at CMC make it a culture to explain new strategic moves to their juniors highlighting the benefits that will accrue out of the new moves every time such new moves are made. Such 'cultural practices', when done continually, extend even to involve job description revisions for some staffs to match with the new strategic move(s).

4.3 Challenges to Strategy Implementation at CMC

4.3.1 Introduction

The nature of industry in which CMC operates presents an environment that is very challenging. In addition, the study observed that the manner in which CMC is organized has been dictated by the nature of the products and services it is offering. These two aspects make CMC prone to enormous challenges as it endeavors to translate its strategy into action and then into acceptable results. It was the objective of this study to establish what these challenges are and determine their nature and source.

This section presents the challenges faced during strategy implementation at CMC. The study established that different levels of management and different departments face different challenges. However some challenges cut across the levels and departments, hence are common across all divisions in the company. The levels form the basis under which the challenges get manifested and have been used to develop the sub themes under which the challenges would be analyzed and discussed. The challenges are either internal or external both to the departments, divisions, and CMC as a whole.

4.3.2 Challenges at Corporate Level Management

The corporate level is charged with the responsibility of harmonizing the implementation process in all the divisions. With respect to the core business of CMC, it is this level that ensures that the divisions work towards achieving the overall company goals and objectives. It will thus constitute the support services of financial management and human resource management among others outside the divisions' specific businesses.

The study viewed this level as one that provides the impetus for the divisions and therefore have a pivotal role in ensuring they implement the strategies efficiently and effectively. However, in as much as the level constitutes managers with long outstanding experience, unquestionable professional skills in their respective areas coupled with a high degree of commitment towards effective and efficiency strategy implementation, all geared towards achieving company objectives and goals, the study was able to establish the challenges that they face in the process.

The study established that some aspects of organizational culture and structure, high degree of staff turnover, infighting instead of collaboration, and resistance to change as the major challenges that are faced at the corporate level. Others include lack infrastructural facilities, government decisions, inadequate resources, and indiscipline among some employees.

Organizational culture is the company's way of doing things. It constitutes norms, values and beliefs that are held over time in the course of doing business. The match between strategy and culture is crucial for successful implementation of the strategy. The study aimed at establishing whether or not such a match exists, and if it does, how challenging it is to effective strategy implementation.

CMC has been in existence for over 55 years and the way it does things has been established over time. There is a mix of values and beliefs that have been propagated over time by people who have held senior management positions for a considerably long period of time. These aspects have been instilled into the other organizational members and define "the way of doing things around here" hence the organizational culture. The study found out that some aspects of culture promote negative attitude amongst some staff towards their development. For instance the culture seeking approval on every other decision to be taken and rigid procedures followed (bureaucracy) stood out conspicuously. It was established that most of these aspects emanate from the company's organizational structure. It is not the whole mix of values and beliefs that fully support successful strategy implementation. Some of them impede successful implementation of documented strategies.

Organizational design defines the roles, responsibilities, boundaries, processes and procedures, and relationships of the various positions. These define the organizational structure and it was the intention of the study to establish how the company's structural design accelerates or impedes successful strategy. CMC has a divisional structure and it was pointed out that this structural design is largely a dictate of the nature of the business it is engaged in, hence inevitable but necessary and appropriate.

However, the study established that some aspects of this structure impede successful strategy implementation. The structure defines reporting procedure, which, prove to be unnecessarily long and time consuming hence slowing down the decision making process. The structure also breeds a lack of line authority where decisions to be made by one or few office holders are constrained yet it is perceived that such decisions ought to originate from such office(s). For instance there lacks a clear line of authority on decisions to be made by the human resources manager and the divisional general managers on staff issues. Such lack of autonomy in decision-making amongst the corporate level managers raises the greatest question on the positioning and definition of some functions in the structure. Such lack of line authority has led to some line managers deviate from their functions and as a result stumble on others' toes. All these structural design issues stand on the way of successful strategy implementation.

Implementation of strategies requires not only adequate staff but also competent staff for success to be realized. High degree of staff turnover was identified as a challenging phenomenon in CMC's strategy implementation efforts. This is attributed to intense poaching of employees in the industry. Even though CMC also does the poaching, it proves very costly to reward the poached personnel and/or in the recruitment, selection, training and development of the new staff to fill the positions left vacant.

Successful strategy implementation is achieved when there is a high degree of collaboration and consultation among the different individuals and groups involved in the formulation and implementation of the strategies. The study noted instances of infighting when seeking approval for some decision to be undertaken. The harmonization of the parts and service departments has suffered for long time because of the implied competition between the departments. The challenge emanates if when the parts manager seeks to know what happens on the ground (workshops) to form the basis of planning doesn't get the required cooperation.

Developments in the environment require that a company change its strategic direction so as to exploit any eminent opportunities and also counter the resultant threats. The internal readjustments would entail the reassessment of the company's weaknesses and strengths so as establish the capability gap and do something on its core and distinctive competencies. All these moves require management to throw its weight fully behind their realization. It was the aim of the study to determine the management's support towards this end. It was established that such management support is hardly granted. Suggestions put forward to introduce new programs and effect changes in some policies get resistance from management. For instance there is lack of appreciation that some training programs are necessary yet these will go along way in developing organizational capabilities in implementing its strategies. They are instead perceived as costly and time wasting "activities" rather than value adding moves. The need for human resource policies that are comprehensive and strategy supportive and the necessity of acquiring new and distinctive computers for the parts department has been met with resistance from management.

In ensuring that financial strategies are effectively implemented, the study sought to establish whether such efforts face any challenges. The research identified a number of challenges that impede such efforts. Indiscipline among some employees makes internal cost monitoring and control very difficult. Some staff are lazy and don't perform up to expectations. The study also found out that the economic factors such as inflation, exchange rates, interest rates and economic performance in general impact on strategy implementation. All these factors will act as sources of challenges when they are unstable and the economy poorly performing. Government decisions on taxation and port clearances and technological changes coupled with the above factors come along with some financial risks that stand on the way of successful strategy implementation.

4.3.3 Challenges at Divisional Level Management

CMC's organizational design provides for autonomy in the various divisions. Therefore each division operates autonomously of each other majorly because of the nature of the products and services that they deal with and the market segments that they serve. The research thus observed that the challenges faced are expected to be unique to the divisions though some are common across the divisions.

It was established that common across the divisions include such challenges as severe competition in the market; implementation taking longer time than originally allocated; and major obstacles surfacing during implementation. Rivalry among the existing players in the industry is a phenomenon that the research noted to pose enormous challenges to the divisions as they strive to attain their stated objectives and goals. Proliferation of second hand "mitumba" cars and spare parts in the market was singled to be the threatening challenge that presents unhealthy competition to the divisions. To introduce a new product in the market and gain acceptance coupled with the complexity of the customer for some product prove very challenging.

It was also pointed out that strategy implementation generally takes longer time than originally planned due to a number of reasons most of which are unique to particular divisions. For instance, suppliers of outsourced services like body building in the HCV division take longer time in offering such services, which in the long run delay the implementation of the division's strategies. Others include wrongly packed items for local assembly from the suppliers, delays in the local deliveries like the vehicle registration number plates among others, and technical analyses that are required to do adjustments so as to elongate bus chases. The analyses are complex and take time hence delaying eventual strategy implementation.

Obstacles that surface during implementation include among others customers' use of non-genuine spare parts on their vehicles rendering them to experience unanticipated malfunctioning, a phenomenon that is an obstacle to normal servicing of the vehicles when brought into the company. Another obstacle identified is the opening of the letter of credit by the finance department during ordering of new vehicles. This is done with a lot of delay and as result slow down the implementation of planned activities.

As noted earlier, the severe competition in the market makes implementation of pricing action plans very challenging. Prices and discounts affect the realization of the bottom line goals and objectives- profits and maintaining customer loyalty. High prices will send away customers while high discounts will drive down the profits. Balancing these two aspects is challenging more especially when manufacturers turn down requests for special prices for genuine spare parts and competitors unwilling to give information on their prices. The study established that some of the products are very expensive making customers shy away from buying them. Some are a let down because they do not meet the customer specifications.

CMC undertakes local assembly of some vehicle models. This therefore means that the exercise contributes a great deal to the success or failure of the company's implementation of its strategies. It was noted that the required personnel to do the assembly are not all locally based. The ones required to be shipped in are not shipped in on time. This delays the whole implementation process because in the long run it is the product to be offered to the market that is the big issue. Timely presentation of the product into the market is very crucial given the prevailing competitive situation.

The issue of personnel's level of understanding of new concepts and ideas and hence their response to changes was also noted at this level as a challenge to strategy implementation. This was attributed to the level of education of some personnel which is prohibitive to comprehension of abstract ideas more so in the parts department. This results in systemic resistance to any changes introduced because of the personnel's lack of necessary and adequate skills to implement the strategies. Others resist not just because they are unqualified but because of motivational and behavioural reasons.

The study found out that the company offers training to its personnel. This is expected to curb the problem of lack of adequate, relevant, and necessary skills. Training is offered in-house (appendix IV), on the job, through video presentations, and some personnel sent on seminars organized elsewhere (open courses) to equip them with the necessary skills. The introduction of new products also calls for technical training, which is conducted by expertise from the manufacturers in order to enable the staff to have product knowledge and be able to handle operational chores on the product. However, it was established that the training offered is inadequate in terms of duration and to some extent, content. To those with low retention rate, it proves futile for them to grasp the technical concepts, hence an impediment to effective strategy implementation.

The aspect of organizational culture also resurfaced at this level. The study identified some aspects of the company culture as unsupportive and hence impeding successful strategy implementation. Strong inclinations by the corporate headquarter to a culture of stocking only genuine spare parts specifically from the manufacturer are particularly prohibitive. Successful implementation would be achieved if management admits reducing stock of genuine spare parts that are not moving and seek alternative supply of similar ones that perform equally well. The industry is fast developing, hence fast adaptation to such developments become a necessity. Any new initiatives towards such an end must be supported. Instances of top management resistance to such initiatives were noted. It was pointed out that information is controlled by the top management, information which is important for such new initiatives.

It was reiterated that a match between strategy and policies, processes and procedures makes strategy implementation a success. The company has laid down broad policy guidelines and the procedures and processes to be followed in undertaking any action. However, it was found that some policies, processes and procedures are an impediment to successful strategy implementation. They are archaic, rigid and unnecessarily expensive. The phenomenon was attributed to the bureaucratic culture of handling of issues that involves long processes and procedures in the light of outdated policies resulting into actions, even urgent ones taking long to be executed. As a result, the study established that too much paperwork arises from such processes making it too tedious and cumbersome to handle them.

As noted earlier, organizational structure is one of the most important internal variables that determine the success or failure of strategies. It is important that a fit exists between strategy and structure for successful implementation to be realized. The study established that as much as the current structure is in congruence with the nature of the business CMC engages in, the structure breeds an unnecessarily bureaucratic culture that. To some extent, impedes quick decision-making and the taking of actions thereof. The study also established that the structure results into many positions causing confusion to some people while others deeming some positions as unnecessary and can be done away with. However, the study was keen to note that it is the nature and complexity of CMC's business that calls for the creation of such positions.

Resources, both financial and non-financial are a very crucial component of any organization's strengths that contributes to successful strategy implementation. The resources range from financial to materials to human resources. The study acknowledged that CMC does everything possible to mobilize its financial resources to ensure successful execution of its plans and achieve the set objectives and goals. However, the established some personnel especially from service department, claim unavailability of some spare parts, special tools and insufficient work force as compared to the duties to be done. Even if finances are known to be available, cash is not readily availed when required to purchase workshop equipments. Request put forth by the shop floor personnel on such requirements are not readily acted upon while some will be completely ignored. Inadequacy of resources as readily as required is majorly due to sharing of the same by the divisions. As divisions, they own resources. But because of the umbrella body, they submit the resources to the headquarters and request when need arises. Two or more divisions might request for resources at the same time or a division might ask immediately after another division has been allocated. It could not be granted such immediately. This means that such a division lags back in its implementation efforts. The research further established instances of top management not seeing the rationale of extra personnel when requests for such is put forth, and instances of too much staff turnover but replacement taking long.

The study investigated into CMC's working climate more specifically the political climate to establish whether or not it is supportive to strategy implementation. It was established that politicking in the company, though not conspicuously and explicitly manifested, poses the greatest challenge to strategy implementation. Managerial issues raised are perceived as personal and thrown out of proportion. This constrains the effort required to implement strategy. Such issues as request for finances become constrained because of the requirement to justify expenditure even when it speaks for itself. Service department for instance needs to be at par with technological developments. It is the top management that should be at the forefront to steer such a move. The requirement of justification sends wrong signals to those who suggest the need to embrace new technology even by the top managers.

The company deals with some products that define customers' social class. The point of reception is very important to portray an image that considers this aspect. Information technology becomes very crucial more especially when doing presentations of the product attributes to such a class of customers. It was pointed out that some offices are of ancient times and need to be refurbished with modern ICT equipment. Making such demands breed constrained relationship between the change agent and the complacent at the expense of successful strategy implementation. It was established that claims of top management not believing in knowledge being power breeds implied politicking when suggestions to modernize offices and business operations are put forth.

Plans are projections into an unforeseeable future. The government happens to be one of CMC's major buyers. The divisions that supply their products to the government factor this in their plans and make projections oblivious of changes in the government policy. It becomes an uncontrollable factor that outcrops during implementation when the government changes its policy. For instance, the study established that Land Rover division planned to sell 300 units to the government last trading period but the finance minister changed the policy regarding government expenditure and not many units were bought. This means non-attainment of projected sales volume. Further, the government's recent change of clearing method at the ports negatively impacted implementation of parts strategies.

The study also identified factors in the macro environment that act as a source of implementation challenges. Those who deal with products that define the social status of an individual pointed out that it becomes very challenging in understanding these people's socio-cultural inclinations, which affect their choice of the product. The political, economic, and technological factors have a positive correlation with the business activity. Political instability, economic recession, and fast technological changes will impact negatively on strategy implementation and vice versa.

4.3.4 Challenges at Functional Level

This is the level where plans are translated into actions and then results. The study treated this level as one with firsthand information on what is happening on the ground. Therefore, over and above the information sought from corporate and divisional levels, the study sough detailed information from this level.

The study thus established that in addition to challenges that are as a result of aspects of organizational structure and culture, uncontrollable factors in the external environment, resource availability, and training of staff; other challenges at this level emanate from capabilities of employees involved in implementation, sharing of responsibilities, competing activities/crises that distract attention from implementing what has been planned, information systems to monitor implementation, major obstacles surfacing during implementation that were not foreseen beforehand, staff motivation, advocates and supporters of strategic decisions leaving during implementation, and resistance.

One of the organizational variables that will accord it the vigor for its strategic aggressiveness and responsiveness is the skills and capabilities of its workforce. This will form the basis for the development of the organization's core and distinctive competencies and eventual gain of sustainable competitive advantage. It was the intention of this study to investigate into this and establish its adequacy or otherwise. It was established that most personnel possess the required skills and capabilities to carry out their designated strategy implementation activities. However, the study established that in some division's departments, very few employees are capable. Most of them do not understand some important concepts. This is attributed to them being unqualified to do what is required of them. Upon introduction of new ways of doing things, most of the employees resist such a change e.g. the introduction of a new binning system in the warehouses. These call for a lot of training before one acquires the skills required. Their level of understanding is very limiting. Instances of sluggishness and fear of handling extra responsibilities exist on the part of some employees- not self-motivated.

The study further found out that there exists an explicit job description for each and every employee in the company. This implies that an employee is restricted to his or her defined area of responsibility. In as mush as this makes them responsible and accountable for their actions, it does not allow extensive sharing of responsibilities. The study established that because each employee is responsible for carrying out the duties that fall in his/her job description province, some of them develop a mentality of 'cant handle that which I am not qualified' more especially when their colleagues are on leave. Therefore, transferring somebody to undertake a different task becomes a problem, hence a decelerating factor to effective and efficient strategy implementation.

The research also purposed to look into competing activities/crises that distract the attention of strategy implementers. It established that in some divisions competing activities/crises exist. Leaving of some employees by way of being laid off or for some other reason, more especially when he/she is most needed makes normal operations get distracted. Some seniors also introduce some controls during the process of implementing another system. Some controls would mean a complete overhaul of the current system which had not been fully implemented, and because it is a boss's order one has to abandon any other on-going operation to attend to the new one. Management's other plan comes in a parallel form and running such a parallel plan competes for one's attention hence proves challenging.

Many a times, a stock order that comes in a container requires one to put on hold all other activities in order to receive and verify the stock. Some items will take too long a time to be identified because of their technicalities. At other instances, vehicle off the road (VOR) orders necessitates that everything else has to be halted to let the vehicle on the road. Others identified what is called 'difficult sales' i.e. very urgent and funny enquiries that will require intervention and having difficult with the accounts people who need to be pressured out to do their part and accelerate the carrying out of other tasks. Special assignments from their bosses, difficult customers that require more time and attention, big volume of business than usual, and orders that come from within CMC that were unanticipated were identified as other activities that compete for attention and hence distract implementers from implementing the planned activities.

The service department handles customers owning the traded models and the tasks carried out are planned on daily basis then extended depending on the nature of the tasks. Therefore time allocated to various tasks is dependent on their nature. However, some activities and crises arise forcing implementers of planned activities to divert their attention from them. Such activities and crises were identified as: customer pressure- some customers don't want to understand and mind the plan that is in place but rather hurry for their work to be completed even before the agreed time elapses; some customers will come with some defined activities that take longer time than normal; others will demand services on their vehicles outside the workshop- some very far; instances of customers on transit who need to be attended and continue with their journey; unforeseen breakups other than those reported; and instances of managers from within CMC bringing in work for their own and friends and care not to follow the laid down plans. They redirect the mechanics to their work at the expense of customers' works and as per plans.

Uncontrollable factors in the external environment also were seen to be a source of challenges at this level. Apart from the severe competition in the market place due to the existence of second hand spare parts at cheaper prices to the customers, it was established that ensuring optimum parts availability is made difficult by the delay on the part of suppliers. Instance of liquidity problems was noted so much that it hampers in time payment and hence timely delivery of the parts. Other uncontrollable factors established include: staff getting sick more especially if the victim's duties are very specialized and none can handle them; occasional power blackouts, something that slows down operations in the warehouses because they are forced to go manual as the computers normally used cant work without power.

The motor vehicle industry is one that is experiencing vast changes most of them discontinuous and very fast. Other than the changes, it is experiencing fast growth that has led to the existence of numerous vehicle dealers up to and including individual running garages all over. The study identified a number of external factors both industry specific and otherwise that creep in during implementation that pose challenges in the process. These include technological changes – some vehicle models are electronic, others have been modified making it challenging to handle some tasks on them; messed up vehicles due to wrong diagnoses in the 'outside' garages – customers seeking service from unscrupulous mechanics who are less experienced; former employees of CMC establishing their own garages upon retrenchment – some had known many customers and would lure and take them up, some offer even more better service packages than CMC can offer; suppliers of genuine spare parts take long to supply the parts than customers can wait if the part cannot be found locally. Poor road conditions and occasional floods are other uncontrollable factors that are a source of challenges faced. The poor road condition keep customer complaints high while floods make engines more especially for cars develop fatal and complex problems.

Successful implementation of strategies requires an adequate information system to monitor such implementation process in order to ensure it is done effectively and efficiently. The research found that respondents have to monitor all that is being done to ensure that plans get carried out as planned. It was established that all that is at their disposal is a telephone. Computers that they have are for normal reprographic purposes. Thus the challenging aspect in monitoring the ongoing implementation process is making sure that one is physically present. The progress report obtained from the employees has to be confirmed physically. The absence of adequate information system to monitor implementation activities without necessarily establishing physical presence means that monitoring suffers a drawback.

The study further established that major obstacles surface during implementation that were not foreseen beforehand. It identified systems/computer breakdowns, stronger controls, lack of enough staff, technical requirements, and flooding in some warehouses during rainy seasons as major obstacles that come on the limelight during implementation. The system breakdown is attributed to the inadequacy of the solutions provider- an external contractor, stronger controls introduced during the process inhibit flexibility and takes time to be incorporated into the current system, technical requirement become an issue during parts identification in the warehouse by some staff, lack of enough staff is due to an imbalance between the activities to be carried out and the available staff and some staff having personal commitments that forces absenteeism, while flooding is due to structural design of some warehouses. All this makes implementation challenging and will obviously lead to more time being taken to carry out the plans than was originally allocated.

Service is offered at the workshops within the company with each division having its own. A number of obstacles that surface during implementation that were not foreseen at the time of planning were identified. These obstacles lead to implementation taking longer than was originally anticipated. These include lack of special tools to handle some specialized tasks more especially when new franchises are introduced; lack of specialized services within some workshops like wheel balancing which forces the technicians have them done outside; some spare parts unavailability upon request during servicing; new contexts that present unique problems during servicing more especially on new vehicle models; injuries to the technicians during carrying out of the allocated tasks; unanticipated break ups during the service or those different from those reported; jobs carried forward not documented forcing the technicians to start all over again; and emergence leaves for mechanics making it difficult to reallocate their tasks to others who are already occupied.

On training of staff, the study applauded and appreciated the culture of training in CMC. However, in addition to earlier findings it was established that the training offered is not specifically tailored towards warehousing issues and not comprehensive enough on the job roles and further applications. Considerable gaps therefore exist between the known and what's supposed to be known. The study acknowledged existence of training programs (appendix IV) but the study took note of some respondents' claims that the training offered is inadequate. According to them it takes very short times than one can grasp the technical aspects required. To them it is too basic – an introduction and nothing more! This inadequacy poses a challenging scenario to strategy implementation.

The study looked at how CMC motivates its employees to establish whether the motivational tools are geared towards successful strategy implementation. It was established that the company has put in place programs such as feeding, clinical services, and pension benefits plan among others. However, the study identified an aspect of promotion as a demotivating factor among some employees. The company has a policy guideline on promotion that details the process to be followed. Though claims of no promotion were raised, the study found that the promotion in the company is based on several considerations and not experiences per se. The study established that the rating system that is applied across the divisions demotivates some employees. This arises when targets are set and met or not met. One division's target is set too high while another's too low. Hitting a highly set target requires one overwork him/herself and by the end of the day he/she is rated similarly with one whose division's target is low. This demoralizes and a demoralized staff would not own the strategy and put effort to achieve the set objectives and goals.

The advocates and supporters of strategic decision play a pivotal role in ensuring successful execution of the strategic decisions more especially those they initiate. The study set forth to establish whether such people leave CMC during times when they are most needed i.e. during the implementation phase. It was pointed out that this has been very rare in CMC. However, a case in point was identified where there have been eight different managers in a position within very short spans of time. The managers come and go before implementing what they'd planned and espoused, hence affecting the morale of the junior staff.

The environment in which strategy implementation takes place is not static. Changes in the environment are ever continuous. This calls for some adjustments in the strategy in order to accommodate such changes. It is the people on the ground that will notice such changes and suggest appropriate changes in the policy and/or strategy. The study noted that the juniors have the feel of what happens on the ground and could be a source of suggestions to the improvement of the implementation process. The study aimed at establishing whether or not such suggestions from juniors are welcomed by the seniors. It was established that top managers will always seek suggestions but upon receiving them, they ignore them. A plan could be flawed in one way or another and will require some revisions. Where the suggested revisions or changes affect the top managers, they are highly resisted than those affecting those down the line. Instances of fear of victimization of those in the forefront in suggesting changes were identified- "an axe might fall on you", resulting into a demoralized staff who will fall back and "gamble" to execute what is deemed as "flawed".

CHAPTER FIVE: SAMMURY AND CONCLUSIONS

5.1 Introduction

Strategy implementation is concerned with both planning how the choice of strategy is put into effect, and managing the change required. In this process, it is laden with complexity and challenges. The objectives of this study were to determine the practices that CMC Motors Group adopts in the implementation of its strategies and establish the challenges faced. The practices adopted by CMC Motors Group and factors that hinder effective strategy implementation were studied. In this chapter, the findings of the research are summarized and conclusions drawn. The chapter also includes recommendations for policy and practice as well as suggestions for further research.

5.2 Summary

The first objective of the study was to determine the practices of strategy implementation used by CMC to implement its strategies. The study revealed that the company uses a blend of strategy implementation practices in its strategy implementation process. The major implementation practices used include direct supervision, planning and control systems, setting performance targets. Others used to a lesser extent include market mechanisms, cultural practices, and job description revisions.

The second objective was to establish the challenges encountered by CMC in its efforts of implementing its documented strategies. The results of the study show that the major challenges encountered by the company include unsupportive aspects of organizational structure; unsupportive aspects of organizational culture; resistance to change; implementation taking too long than anticipated; unsupportive processes and procedures; uncontrollable factors in the environment; major obstacles surfacing during implementation that were not anticipated beforehand; inadequate resources; and inadequate training of staff. The minor challenges encountered include inadequate skills of some staff; advocates and supporters of strategic decisions having left during implementation, which undermine the staff commitment and enthusiasm; inadequate information systems to monitor strategy implementation; and some unsupportive policies

Overall, most challenges affecting CMC Motors Group are internal to the company including unsupportive structure and culture, resistance to change from both the staff and top level management, unsupportive processes and procedures, inadequate skills of some staff and resources among others. All these tend to create internal inertia, losing momentum towards successful strategy implementation. The implication is that CMC Motors Group can exert control over them. The findings of this study are well aligned with previous studies (Aosa, 1992; Koske, 2003; Muthuiya, 2004). It should be noted that most of the challenges affecting CMC Motors Group are division specific. However, some cut across the divisions like the culture, structure, uncontrollable factors in the environment, major obstacles surfacing during implementation, and implementation taking too long than anticipated.

Though the minor challenges did not affect strategy implementation significantly, it should be understood that it is necessary for CMC Motors Group to put together all the critical components necessary in strategy implementation by tying together all the activities of the organization and by making sure that all of the organization resources are "rowing in the same direction". It isn't therefore enough to manage one, two or few strategy supporting components. To successfully implement strategies, the company needs to manage them all and make sure that they are linked together for effective strategy implementation.

5.3 Conclusions

The overall result show that the practices adopted by CMC Motors Group in its strategy implementation are effective. However, these practices have been to some extent affected by the challenges the company is currently facing. The findings indicate that CMC is experiencing problems associated with its structure, culture, procedures and processes, resistance to change, provision of adequate information systems to monitor the implementation process, inadequate motivational tools to the employees, and a mismatch between the workload and available personnel in some divisions among others. Although communication systems were found to support strategy implementation, it should be noted that sufficient communication does not guarantee successful implementation. Interpretation, acceptance, and adoption among implementers are crucial. It can be concluded that the practices used by CMC in implementing its strategies support the implementation of the Strategic Direction Plan.

It is evident from the study that challenges mentioned affect its branches in the region and that they apply to other multidivisional companies in Kenya especially those in the motor industry. The implication is that most of these companies are being faced with similar challenges. This can be attributed to the fact that they are operating in the same environment. It can therefore be concluded that like other organizations, CMC Motors Group is facing strategy implementation challenges.

5.4 Recommendations for Policy and Practice Specific to CMC

For CMC to implement its documented strategies effectively, it is recommended the company falls back and look at its failures and obstacles and then change course. The company should specifically consider undertaking appropriate measures in order to mitigate the challenges it faces.

In as much as CMC's structural design (divisional) is as a result of the nature of the products/services it deals in, so much so that it allows corporate management to delegate authority for the strategic management of the distinct divisions; expedites decision-making in response to varied competitive environments; and enables corporate management to concentrate on corporate level strategic decisions, the design has fostered rigidity, bureaucracy, and a problem of determining how much authority should be given to divisional managers. It is therefore to be structured to promote successful strategy implementation. As much as possible, the company has to identify strategy critical value chain activities; decide which value chain activities to perform internally and which to outsource from partners; make internally performed strategy critical value chain activities the main building blocks in the company structure; decide how much authority to centralize at the top and how much to delegate to down-the-line managers and employees; provide for cross-division coordination and collaboration to build/strengthen internal competencies and capabilities; and provide for the necessary collaboration and coordination with outsiders.

In today's fast-changing markets, the necessary organizational themes are lean, flat, agile, responsive, and innovative designs. CMC has to consider cutting down on the bureaucracy and recognize the fact that the necessary tools of organizational design are managers and workers empowered to act on their own judgments; reengineered work processes and procedures; self-directed work teams; rapid incorporation of Internet technologies and a cutting-edge e-commerce infrastructures; and networking with outsiders to improve existing organizational capabilities and create new ones.

The company should step up its efforts to consider moving towards embracing extensive use of e-commerce and e-commerce business practices- real-time data and information systems; heavy reliance on e-commerce systems for transacting business with suppliers and customers and Internet based communication and collaboration with suppliers, customers and strategic partners. These will go along way in shortening and simplifying the long processes and procedures, cutting down on too much paperwork that arises along such processes and procedures

On cultural aspects and resistance to change CMC should recognize the fact that when a company's culture is out of sync with what is needed for strategic success, the culture has to be changed as rapidly as can be managed. Successful culture changes have to be led by top management; it is a task that can't be delegated to others. What organizational leaders say and do plants the seeds of cultural change. Only top management has the power and organizational influence to bring about major change in a company's culture. This requires the management to think outside the box i.e. do a paradigm shift and realize that there is always more than one way of doing something.

Changes in technology, procedures and processes, policies e.g. reward policy, job contents; offices' physical set up to encourage open door policy; among others are necessary. Such changes should be introduced gradually but at a pace faster than the competition and also ensure that resistance to change is minimal and people be prepared for any change and be subjected to contexts that will make them question their status quo "the comfort zone". This will go along way to cultivate flexibility and translate CMC into a learning organization. Formulation of strategies should consider all the relevant and available information about the market. Thus, the marketing espionage has to be ongoing.

On training, CMC ought to realize that successful strategy implementation is only possible if and only if the people involved have the right and relevant skills. Thus training should be frequent, content oriented, and adequate enough. A through gap analysis is necessary to establish the type, amount, and length of training required. The management should recognize the fact that knowledge is power and can go an extra mile to sponsor further training for further career development. The senior managers need to undergo courses that will update them with new developments in the management arena because thorough training is the only way of empowering managers and the implementers of strategy.

Regarding information systems to monitor implementation, the company should acknowledge the fact that in today's business environment, competitive advantage goes to those companies most able to mobilize information and create systems to use knowledge effectively. Accurate, timely information allows organizational members to monitor progress and take corrective action promptly. To ensure that the strategy implementation process is well monitored so that it can be effectively evaluated, an information system has to be put in place to aid such monitoring. CMC has to be seen to be serious by its customers and one of the boosts to such is a fully synchronized system for demonstrating to customers the features of the product on a screen instead of physically taking the customer round the product. Further, such information system needs to cover customer data, operations data, employee data, supplier data, and financial performance data. All key strategic performance indicators have to be measured as often as practical.

On the issue of resources, which is not a big problem at CMC, any strategy should be linked to budgets and the budgets should be used as a tool for control and resource allocation. The resources required for successful implementation of strategies should be readily availed. These range from financial, material, to human resources. To ensure availability of the require tools, spare parts and necessary equipment, enough financial resources must be allocated to that effect. Enough staffs have to be deployed on the shop floor to fully carry out implementation activities. Resources should be allocated according to key issues and priorities identified in the company.

Regarding staff motivation, CMC should recognize the fact that one of the greatest challenges to strategy implementation is to employ motivational techniques that build wholehearted commitment and winning attitudes among employees. The company's senior management should inspire and challenge employees to do their best. The management should specifically get employees to buy into the strategy and commit to making it work; structure individual efforts into teams and work groups in order to facilitate an exchange of ideas and foster a climate of support; allow employees to participate in making decisions about how to perform their jobs; and try to make jobs interesting and satisfying and the company's whole work climate engaging and fun. The company should device a scheme that recognizes the growth of its organizational members.

Tied with motivation is the reward system of the company whose role is to align the well-being of organization members with realizing the company's vision, so that organization members benefit by helping the company execute its strategy competently and fully satisfy customers. CMC should understand that a properly designed reward system is management's most powerful tool for mobilizing organizational commitment to successful strategy execution. The use of incentives and rewards is the single most powerful tool management has to win strong employee commitment to diligent, competent strategy execution. However, failure to use these tools wisely and powerfully weakens the entire strategy implementation process. CMC should come up with an effective and documented performance management system, which should be tightly tied with an effective documented reward policy with reward structure linked explicitly and tightly to actual strategic performance. This should be communicated to all staff. Decisions on salary increases, incentive compensation, promotions, key assignments, and the ways and means of awarding praise and recognition are potent attention getting, commitment generating.

It is evident from the study that most of the staffs do not understand the concept of strategy. It is therefore recommended that a communication plan be included in the strategy implementation plan. Communication needs to be an on-going activity and its objective should be to reduce uncertainty. This will enable the staff (both junior and senior) fully understand the strategy. The strategy should be communicated to all people involved from top to bottom, not only to managers. Every individual involved is just as important in implementation of a strategy. Also communication should be done early enough and action taken to avoid possible negative consequences.

CMC should consider involving all the staff and stakeholders in the formulation of the strategies. All the staff and especially those in the implementation levels should be fully involved in the strategy development so that they can fully own them. Non-involvement of all staff may be the reason why documented strategies are not fully implemented. It is therefore important to note that separation of strategy development and implementation may lead to a situation where critical issues may be left out of consideration during formulation phase. The company needs to review periodically if strategic milestones are being achieved.

Finally and most important is the senior management support to strategy implementation efforts. Management by walking around (MBWA) is one of the techniques effective leaders use to stay informed on how well strategy implementation is proceeding. There should be full-fletched support from senior management to plans and greater appreciation of the human resource function and its contribution to the company. The management should therefore consider giving it its right place in the organization.

5.5 Suggestions for Further Research

It is generally a truism that no research is an end in itself. Therefore, what this research has achieved in this area can only be considered to be little hence requiring further research work. From the insights gained in the course of the investigation, the researcher offers the following suggestions, which should act as a direction to future researchers:

1. There is need to undertake further research in strategy implementation in multidivisional companies in Kenya. A cross-section study should be conducted so that comparison can be made between many multidivisional companies.
2. A replication of this study should be done after some time to find out if there are any changes that have taken place and comparison with the current data be done. From this, a definite recommendation should be done.
3. Need to study the practices adopted to evaluate progress towards strategy implementation in multidivisional companies and whether they provide early warnings.

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APPENDIXES

Appendix I: Interview Guide

A: Corporate Level Management

i. The Group Human Resource Manager

1. Does CMC have documented HR strategies?
2. In an effort to implement them, what action plans are put in place?
3. Does the company have a recruitment policy? How does the policy (if any) support strategy implementation?
4. When recruiting new employees, how does the human resource team assess their competency so that they are compatible with the new strategy?
5. Does the company have a performance appraisal system? How does the system (if any) support strategy implementation?
6. Does the company have a training program for its employees? How is this program geared towards strategy implementation?
7. Are the company staffs given technical skills needed for the implementation of new strategies? How is this done to ensure congruence?
8. How would you describe the rate at which staff training programs has increased to enhance their ability to implement new strategies? What is the justification of such a rate?
9. Does the company have a database of existing skills and experience? How often/regular is it updated in order to support strategy implementation?
10. Does the company have a documented reward policy? How does the policy (if any) support the implementation of strategies?
11. Comment on how the company has undertaken each of the following tasks to build a spirit of high performance into the organization culture towards supporting strategy implementation:
    a. Training each employee thoroughly,
    b. Encouraging employees to use own initiative and creativity,
    c. Setting reasonable performance targets,
    d. Granting employees autonomy to stand out and excel
12. Is the senior management team of the company in the forefront in providing leadership to enable strategy implementation?

13. What process(es) does the company employ in implementing the action plans that are documented in the HR strategies?
14. What challenges do you normally face?
15. What suggestion(s) would you give that will help motor vehicle distributors avoid or minimize strategy implementation challenges?
16. Please give any other comment you may have regarding the subject of this research.

ii. The Group Financial Director

1. What role do you play in CMC's strategic planning?
2. Do you have documented financial strategies?
3. Are the strategies (if any) general or specific to each division?
4. Does the company maintain financial management systems to ensure proper utilization of funds, accountability, financial monitoring, and efficient reporting, all geared towards strategy implementation? Comment briefly on how each of these aspects is ensured.
5. In order to achieve the strategies mentioned/ documented, what are the action plans that are to be executed?
6. How do you implement these action plans (if any)?
7. What is your general comment on overall resource mobilization in terms of access to and utilization of the resources to enhance implementation of strategies?
8. What challenges do you encounter in the process of implementing them?
9. What suggestion(s) would you give that will help motor vehicle distributors avoid or minimize strategy implementation challenges?
10. Please give any other comment you may have regarding the subject of this research.

iii. The Technical Manager

1. Does the company have strategies on how to manage its technology?
2. What specific action plans that the company comes up with to ensure successful implementation of its technological strategies?
3. What process (es) do you adopt in executing these action plans?
4. What challenges do you meet during execution?

5. What suggestion(s) would you give that will help motor vehicle distributors avoid or minimize strategy implementation challenges?
6. Please give any other comment you may have regarding the subject of this research.

iv. The Central Parts Manager

1. How would you describe your role in CMC's strategic planning process?
2. Does your office develop parts' strategies?
3. What specific action plans do you come up with to ensure successful execution of the strategies?
4. How do you execute the action plans?
5. What challenges do you encounter in the process of implementation?
6. What suggestion(s) would you give that will help motor vehicle distributors avoid or minimize strategy implementation challenges?
7. Please give any other comment you may have regarding the subject of this research.

B: Divisional Level Management

v. Divisional General Managers

1. Does your division have an annual work plan/strategic plan that it always refers to when planning to execute its activities?
2. Is the senior management team of the company in the forefront in providing leadership to enable strategy implementation?
3. How would you describe the support of the management staff in terms of their skills towards enabling successful strategy implementation?
4. What will you comment on the current company structure in terms of its support of the strategy implementation process?
5. What will you comment on the overall company culture in terms of its support for strategy implementation?
6. Do you find the resources allocated to your division adequate for successful implementation of the division's strategies?
7. As a division, what specific action plans do you put in place so as to implement the overall company strategy?

8. What process(es) does the division adopt to ensure successful execution of the action plans?
9. As a division, what challenges do you face in implementing both the divisional and overall company strategy?
10. What suggestion(s) would you give that will help motor vehicle distributors avoid or minimize strategy implementation challenges?
11. Please give any other comment you may have regarding the subject of this research.

vi. The Divisional Parts Managers

1. What role do you play in CMC's strategic planning process?
2. Do you have documented parts strategies for the division?
3. What action plans do you come up with in order to implement the strategies?
4. How do carry out the execution of the action plans?
5. As a division what challenges do you face when implementing the strategies?
6. What suggestion(s) would you give that will help motor vehicle distributors avoid or minimize strategy implementation challenges?
7. Please give any other comment you may have regarding the subject of this research.

vii. The Divisional Service Managers

1. What is your role in ensuring that your division delivers the best service as per the company's expectations?
2. Do you come up with documented approaches on how you move forward?
3. What specific action plans do you develop?
4. What constrains you from executing the action plans?
5. What suggestion(s) would you give that will help motor vehicle distributors avoid or minimize strategy implementation challenges?
6. Please give any other comment you may have regarding the subject of this research.

viii. The Divisional Sales and Marketing Managers

1. As a division, do you have marketing strategies that would enable CMC achieve its goals and objectives?
2. Are the strategies (if any) spelt out in action plans?
3. What are these action plans (if any) in each of these areas:

- Distribution
- Pricing
- Product
- Promotion
- Market Research

4. How do you implement the above-mentioned action plans OR How do you ensure that they are successfully implemented?
5. What challenges do you face when implementing them?
6. What do you comment on how you find each of the following factors acting as a source of strategy implementation challenges in your division?
   a. Economic factors,
   b. Political factors,
   c. Socio-cultural factors,
   d. Threat of new entrants,
   e. Bargaining power of suppliers,
   f. Bargaining power of buyers,
   g. Threat of substitute products/services,
   h. Rivalry among existing companies,
   i. Creditors,
   j. Labour markets,
   k. Clients (other than direct buyers),
   l. Suppliers (for other goods and services)
7. Are these strategy implementation challenges widespread among most players in the motor industry or only few companies face them? What could you attribute to such a scenario?
8. What suggestion(s) would you give that will help motor vehicle distributors avoid or minimize strategy implementation challenges?

9. Please give any other comment you may have regarding the subject of this research.

ix. Warehouse Managers, Warehouse Supervisors, Supervisors, and Service Advisors.

1. What would you comment regarding the time that implementation of strategies took vis-à-vis that which was originally allocated?
2. Did/do major obstacles surface during implementation that had not been identified beforehand? Comment on their nature, source, and effects.
3. Was/is there inadequate communication of the strategy to the staffs? Why the inadequacy (if any)?
4. Were/are there inadequate capabilities of employees involved in the implementation exercise? Why the inadequacy (if any)?
5. Was/is there slow acceptability of the strategy by CMC stakeholders? Why such (if any)?
6. Were/are the resources made available inadequate? Comment briefly on the inadequacy (if any).
7. Was/is monitoring, planning, coordination, and sharing of responsibilities not well defined? Why?
8. Was/is there lack of focus and ability on the new strategy? Why?
9. Did/do competing activities and crises distract attention from implementing the decisions? Comment on their nature.
10. Were/are any uncontrollable factors in the external environment had adverse impact on implementation? Comment on their nature in terms of source.
11. Was/is there inadequate training to the staffs? Why the inadequacy (if any)?
12. Was/is there an unsupportive organization culture? Give a brief comment.
13. Was/is there inadequate coordination of implementation activities? Why (if any)?
14. Was/is there inadequate leadership and direction provided by departmental, divisional and/or corporate managers? Why (if any)?
15. Were/are there inadequate information systems used to monitor implementation? How inadequate are they (if any)? Why the inadequacy (if any)?

16. Did/do key formulators of the strategic decision play an inactive (passive) role in implementation? Comment briefly.
17. Was/is the organizational structure wrong? Give a brief comment on your view.
18. Did/do advocates and supporters of the strategic decisions leave during implementation? Why (if any)?
19. What other challenges not mentioned above does the company face in its implementation exercise? Comment on their nature in terms of source and effect.
20. What suggestion(s) would you give that will help motor vehicle distributors avoid or minimize strategy implementation challenges?
21. Please give any other comment you may have regarding the subject of this research.

Machuki N. Vincent,
Faculty of Commerce,
University of Nairobi,
P.O Box 30197,
Nairobi.
24th June 2005.

The Management,
CMC Motors Group Limited,
P.O Box 30135,
Nairobi.

Dear Sir/Madam,

RE: REQUEST FOR RESEARCH DATA

I am a postgraduate student at the University of Nairobi in the Faculty of Commerce undertaking a Master's Degree in Business Management (Strategic Management). As one of the requirements for the award of the degree, I am supposed to carry out a research and produce a project. On this respect, I have identified your organization as my case of study. My topic of research is "**Challenges to Strategy Implementation at CMC**".

Consequently, because this is a case study, I am intending to collect the data through personal interviews and then recording the responses by way of writing. I am kindly requesting your good office to grant me permission to conduct my study in the company. The respondents of the study will be drawn from all levels of management (Corporate, Divisional, and Functional).

I look forward for your positive response. Thank you.

Your Faithfully,

Machuki N. Vincent

Appendix III a: Service Check Sheet

Interactive Reception Checklist

CMC
CMC
MOTORS GROUP LTD

Customer Name	
Date	- Registration No.

Ask for: Customer comments, observed defects, alloy wheel key, car wash wanted

Comments:

[illegible]			
[illegible]		0	
Check Interior lights/instruments			
Check horn			
Check clutch/transmission/gear change lever			
Check brake/handbrake			
Check screen wash/wiper (front and rear)			
Check condition and operation of seat belts			
Check engine noise/smoke			
Check function of exterior lights			

3. Examine interior controls		0	
Check windows up/down			
Check interior controls/instruments			
Note mileage (Start from left)			
Note radio key code:			
Note interior damage and wear			
Check documentation: release bonnet and boot			
Check performance of A.C.			

4. Check during walk around the vehicle		0	
Check wipers (wear)			
Check spare tyre (condition) and note depth	mm		
Check emergency triangle (function)			
Check first aid kit (condition and age)			

Body condition/damages mark observation on this check sheet

0 = dents

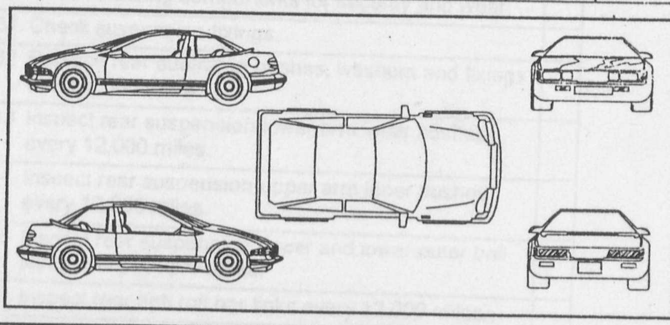
≠≠= paint damages

x = grille/Land Rover badges/mouldings

z = glass

/ = mirrors

Ø = lamps



5. Open the Bonnet		0	
Check obvious leaks/damage in engine compartment			
Check condition/tension of fan - & timing belt			
Check battery condition			
Check oil level			
Check coolant level and strength			
Check screen wash fluid			
Check powering steering fluid level			
Check brake fluid level			

6. Open the Bonnet		0	
Check obvious leaks/damage of the undercar area			
Check exhaust system			
Check axles/suspension			
Check tyres, overall condition and wear including spare RF ,L/F ,RR ,LR ,S			
Check brake discs			
Check shock absorbers			
Check steering			

Signature Service Advisor

Signature Customer

AGREED PRICE ....

Appendix III b

SERVICE SCHEDULE

ARMOURED (B6) ONLY

Invoice No. ....

Registration Date ....

Registration No. ....

Odometer Reading ....

VIN ....

Adjust/Lubricate/Renew - Labour cost included in scheduled times except items marked *.

Check - After checking procedure, cleaning, adjusting, repairing or replacing is subject to extra labour and material cost.

✓ = OK   ✕ = not OK

VEHICLE INTERIOR	
1 Check operation of parking brake.	
2 Check operation of all lamps, horns and warning indicators.	
3 Check operation of covert lights and siren.	
4 Check operation of front/rear wipers and washers and condition of wiper blades.	
5 Check condition and security of seats and seat belts.	
6 Replace seat belt pre-tensioners*. (every 15 years)	
7 Replace window lift hydraulic struts. (every 5 years)	

VEHICLE EXTERIOR	
8 Inspect windscreen, door, tailgate and rear quarter glass for damage/delamination	
9 Replace windscreen, door, tailgate and rear quarter glass (every 3 years - optional) or if damaged/ delaminated	
10 Remove road wheels.	
11 Check brake pads for wear, calipers for leaks and discs for condition.	
12 Grease wheel centre surfaces.	
13 Check tyres pressures. and adjust if necessary.	
14 Check tyres for damage, condition and tread depth.	
15 Replace road wheels.	
16 Apply silicone spray to top edge of door seals.	
17 Check door & tailgate hinge fastenings for security.	
18 Replace door & tailgate gas struts. (every 2 years)	

UNDER BONNET	
19 Check battery condition.	
20 Replace pollen filter.	
21 Check condition of ancillary drive belt.	

UNDER BONNET	
22 Check/top up brake, PAS and screen washer fluid levels.	
23 Replace brake fluid every 3 years*.	
24 Check coolant level, change coolant every 4 years*.	
25 Replace spark plugs every 36,000 miles.	
26 Replace air cleaner element every 36,000 miles.	
27 Replace diesel fuel filter every 36,000 miles.	

UNDER VEHICLE	
28 Replace engine oil and filter.	
29 Check all powertrain components for fluid leaks.	
30 Check steering components for security and wear.	
31 Check suspension fixings.	
32 Replace rear subframe bushes, washers and fixings every 6,000 miles.	
33 Inspect rear suspension lower arm inner bushes every 12,000 miles.	
34 Inspect rear suspension upper arm inner bushes every 12,000 miles.	
35 Inspect rear suspension upper and lower outer ball joints every 12,000 miles.	
36 Inspect rear anti roll bar links every 12,000 miles.	
37 Inspect front suspension track control arms inner bushes 12,000 miles.	
38 Inspect front suspension tie rods inner bushes every 12,000 miles.	
39 Inspect front anti-roll bar links every 12,000 miles.	
40 Inspect rear dampers every 36,000 miles.	
41 Replace rear air springs every 36,000 miles.	
42 Replace rear suspension upper arm assemblies (including bushes) every 36,000 miles.	
43 Replace rear suspension lower arm assembiies (including bushes) every 35,000 miles.	
44 Replace rear suspension knuckle assemblies (including hubs, bearings, wheel studs and ball joints) every 36,000 miles.	
45 Replace rear anti-roll bar and bushes (including fixings and straps) every 36,000 miles.	
46 Replace rear anti-roll bar links 36,000 miles.	
47 Replace front suspension strut assemblies (including top mount) every 72,000 miles.	

Appendix IIIc

SERV/1/OCT/93.

CMC MOTORS GROUP LTD,.
P.O. BOX 30135 - 00100 GPO,
Nairobi.

SERVICE INSTRUCTION:

Phone No.: 650235,
650237, 650238/9
Fax No: 536260
E-mail: lrservice@cmcmotors.com

Sl. 01C3 No: 58011

Account/Cash: .... Date: ....

Customer's Name (BLOCK LETTERS):...

P.O. Box No.: .... Town: .... Phone No.:................... Fax No. : ....

House No: .... Make: .... Type: .... Model:......................

Reg. No.: .... Kms:.................................... Engine No.: ....

Chassis No.: .... T/Reading: ....

Tools ☐ Radio Make : .... Speakers Qty ☐ Spare Wheel ☐ Jack & Handle ☐

Fuel Gauge

Date of sale:...................... LSO/LPO/ Order No.:......................... Date.........................

Please Carry Out the following Repairs/Maintenance.

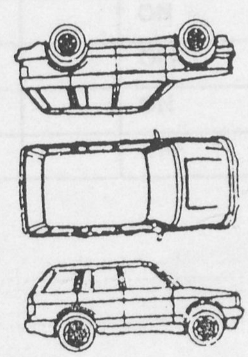
Item No.	O' Pern No.	

Customer's Name:... Receptionist Name..

Customer's I/D No. ....

Date Promised: .... Time:...

"I hereby authorise the above mentioned repairs to be carried out on the vehicle and I agree to pay in full for the repair charges failing which on my behalf and on behalf of the registered owner/s of the vehicle hereby give unfettered right to lien on the motor vehicle and express authority to CMC Motors Group Ltd. to seize/repossess the said vehicle and after (14) fourteen working days to dispose of it by private or other sale at the best price obtainable to recover their expenses and this debt."



Customer's Signature:...

This is the official receipt for your vehicle and the vehicle can not be released to you without producing this receipt on your return.

YOUR ATTENTION IS DRAWN TO THE CONDITIONS OVERLEAF

1. Yellow: Customer Copy 2. Blue: W/Shop Accounts 3. White: Book Copy

Appendix IIId: Job Card

PARTS MATERIAL ISSUES Date	 M.I.R. NO.	Work Carried Out	TECH NO.	TIME	REPAIR TIME
					OFF
					ON
					OFF
					ON
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					ON
					OFF

Service Station Requisition

Date	SSR.No.	Amount

SUB - CONTRACT

Date	L.P.O. No.	Sign

Interworkshop Analysis

Date	Details	Amount

GUARANTEE CLAIMS DETAILS

Guarantee Claim:.................................. Claim No.:.. Date:........................

Ex-Gratia Claim:.................................. Claim No.:.. Date:........................

Appendix IV: Training Program

TRAINING CALENDER - 2005

TARGET GROUP	TRAINERS	DATES	DURATION
-Messengers -Cleaners -Drivers	Total Quality Training Consultants	4^{th}-5^{th} February	2 days
-Service Managers -Sales & Marketing Managers -Parts Managers -Other Managers	Artemis Transition Partners	16^{th}-18^{th} February	3 days
-General Managers -Branch Managers -Other Senior Managers	Dale Carnegie	10^{th}-12^{th} March	3 days
-Sales Managers -Sales Representatives -Sales Administrators	Associated Consulting & Training Institute	13^{th}-15^{th} April	3 days
-Health & Safety Committee	Psychological Health Services	$3^{'''}$-6^{th} May	4 days
-Warehouse Managers -Workshop Managers -Sales Managers -Other Managers	Total Quality Training Consultants	15^{th}-17^{th} June	3 days
-Sales Team -Counter Sales staff -Front line staff	Jacinta Lwanga Allan Bukusi	14^{th}-15^{th} July	2 days
-Supervisors	Zenith Management Consultants	17^{th}-19^{th} August	3 days
-Sales Representatives -Supervisors -Front line staff -Secretaries	Jacinta Lwanga	15^{th} - 16^{th} September	2 days
-Line Managers -Supervisors -Administrative staff	Consultants for Effective Training	5^{th}-6^{th} October	2 days