STRATEGY IMPLEMENTATION IN BALOZI SACCO SOCIETY LIMITED IN KENYA

BY

DAMARIS WAMBUA

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

NOVEMBER 2012

DECLARATION

This research project is my original work and has not been submitted for examination to any other University or College for the award of degree, diploma or certificate
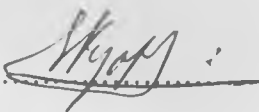
Signature:...........................   Date.... 8th November 2012 ....

Name: Damaris Wambua

Reg No: D61/66905/2010

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

Signature:...........................   Date: 8 -11- 2012 ....

Name: Dr. John Yabs

Lecturer, School of Business

University of Nairobi

DEDICATION

This research project is dedicated to my parents and my brothers Jeremy and Steve for always believing in me and for laying a foundation for my education and to my dear husband for supporting me and being my inspiration.

ACKNOWLEDGEMENT

ABSTRACT

Strategic management can be defined as the set of decisions and actions resulting in formulation and implementation of strategies designed to achieve the objectives of an organization. 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 & Robinson, 2007). Though very key, strategy implementation is one of the most challenging aspects of strategic management in that it requires immense resources and also due to the nature of the environments under which organizations operate. The environment is highly turbulent and this affects strategy implementation in any particular organization.

This study sought to determine the strategy implementation practices in Balozi SACCO and the factors affecting strategy implementation. Interviews were conducted with four senior managers in the SACCO using an interview guide. The data was analysed by use of content analysis technique. The findings from the study indicated that the strategy implementation practices in Balozi SACCO are linking of strategy implementation to strategy formulation, staff involvement, management commitment, training, preparation of implementation plan, regular strategy reviews and identification of risk factors. The factors affect strategy implementation are; leadership style, organizational structure, organizational culture, human resources, financial resources, regulatory framework and information technology.

TABLE OF CONTENTS

LIST OF ABBREVIATIONS

AGM	-	Annual General Meeting
BOD	-	Board of Directors
BOSA	-	Back Office Savings Activities
CAK	-	Co-operative Alliance of Kenya
CEO	-	Chief Executive Officer
FOSA	-	Front Office Savings Activities
FY	-	Financial Year
ICT	-	Information Communication and Technology
KERUSSU	-	Kenya Rural Savings & Credit Cooperatives Societies Union
KK	-	Kenya Kazi
KUSCCO	-	Kenya Union of Savings & Credit Co-operatives Ltd
NGO	-	Non-governmental Organization
SACCO	-	Savings & Credit Cooperatives Societies
SC	-	Supervisory committee
TNA	-	Training Needs Assessment
USA	-	United States of America
USAID	-	United States Agency for International Development

CHAPTER ONE

INTRODUCTION

1.1   Background of the Study

Strategic management can be defined as the set of decisions and actions resulting in formulation and implementation of strategies designed to achieve the objectives of an organization. The complexity and sophistication of business decision making requires strategic management. Managing internal activities as well as the external environment pose serious challenges to management. Strategic management is thus made to facilitate optimal positioning of the firm in its competitive environment. Strategic management by nature deals with major intended and emergent initiatives taken by general managers on behalf of owners. It involves utilization of resources to enhance the performance of organizations and businesses in their external environments. Organizations operate in an open system. This means that organization is environmental dependent and environment serving. They depend on the environment for resources input and produce goods or service for the consumption by the environment. In situations where the organization's environment is changing, the organization itself is faced with a need to change. Even in relatively stable environments an organization is bound to be faced with continuous choices to be made.

The environment consists of external and internal aspects of the firm which a strategist needs to understand, monitor and position the organization to manage the opportunities and threats thereof. The key environmental variables affecting organizations are

technological change, demographic trends, cultural trends, cultural trends, economic climate, legal and political conditions and specific international events. These factors present both opportunities to the firms when the changes in the environment are favourable and also pose challenges when the changes are unfavourable.

An organization has therefore to develop competitive strategy to deal with these challenges and to out compete the competitors. Strategy link organization to the environment. To achieve its objective the organization chooses strategies that align them properly with environment. This is aimed at avoiding any mismatch between the organization and the environment. Strategy can be defined as the direction and scope of an organisation over the long-term: which achieves advantage for the organisation through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfil stakeholder expectations". Different scholars have explained strategy in diverse ways. Chaffee (1985) asserts that strategy is multidimensional and situational, but it suffers from the problem of three distinct, and in some ways conflicting, views on strategy.

1.1.1 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 & Robinson, 2007). Sashittal & Wilemon (1996) have pointed out that some terms synonymous with implementation, such as execution, and actualization of goals are often employed in the

2

management literature, but are not frequently used by managers themselves. Hrebiniak (2006) notes that though formulating strategy is difficult, making strategy work, executing or implementing it throughout the organization is even more difficult. Thompson & Strickland (2003) have stressed that the strategy-implementing / strategy executing task is the most complicated and time-consuming part of strategic management. Its purpose is to complete the transition from strategic planning to strategic management by incorporating adopted strategies throughout the relevant system (Bryson, 2005)

Although formulating a consistent strategy is a difficult task for any management team, making that strategy work – implementing it throughout the organization – is even more difficult (Hrebiniak, 2006). Executing strategy is a tough, consuming management challenge than crafting strategy because of the wide array of managerial activities that have to be attended to. Wooldridge and Floyd (1992) cites some of the activities as; the demanding people management skills required, the perseverance necessary to get a variety of initiatives launched and moving, the number of bedeviling issues that must be worked out, the resistance to change that must be overcome and the difficulties of integrating the efforts of many groups into a smoothly functioning whole.

Strategy implementation is important in that it bridges the activities of strategy formulation with strategy success. The poor implementation of an appropriate strategy may cause the strategy to fail (Kiruthi, 2001). An excellent implementation plan will not

only cause the success of an appropriate strategy, but also rescue an inappropriate strategy (Hunger & Wheelen, 1994).

Strategy implementation is realized through the consistent effort of internal and external stakeholders in an organization. These stakeholders include; the board, senior management, middle level management, suppliers, customers, the government and the civil society. The process of strategy implementation is not without challenges and a myriad of factors can potentially affect the process by which strategic plans are turned into organizational action. Unlike strategy formulation, strategy implementation is often seen as something of a craft, rather than a science, and its research history has previously been described as fragmented and eclectic (Noble, 1999). It is thus not surprising that, after a comprehensive strategy or single strategic decision has been formulated, significant difficulties usually arise during the subsequent implementation process. The best-formulated strategies may fail to produce superior performance for the firm if they are not successfully implemented, as Noble (1999) notes.

1.1.2 Savings and Credit Cooperatives Societies (SACCOs) Movement in Kenya

Savings and Credit Cooperatives Societies (SACCOs) are synonymous with credit Unions. The International SACCO Alliance (2000) defines credit unions as the legally constituted not-for profits financial institutions, chartered and supervised, for the most part, under national SACCO law and created to meet the basic financial service needs of primarily low and middle income citizens who generally cannot obtain these services through existing banking system.

The SACCO sub-sector is part of the larger cooperative movement in Kenya. The history of the co-operative movement runs back to year 1908 when the 1st co-operative society in Kenya, Lumbwa Co-operative Society was formed by the European Farmers with main objective of purchasing fertilizer, chemicals, seeds and other farm input and then market their produce to take advantage of economies of scale. The Co-operative movement has grown from strength to strength boasting of over 13,000 registered Co-operatives with a total membership of over 8 million benefiting directly and indirectly 32 million Kenyans (The Kenya SACCO Directory, 2011 Edition).

The SACCOs in Kenya represent a considerable part of the Kenya financial sector especially with respect to access, savings mobilization and wealth creation. SACCO Societies are member-based organizations that are focused on serving financial needs of their members for personal and enterprise development. They have membership across different economic activities in both rural and urban areas and are engaged in Back Office Savings Activities (BOSAs), Front Office Savings Activities (FOSAs), or both. The SACCO societies operating FOSAs undertake near retail banking business operations.

The sub-sector has however been faced with various challenges that have affected its performance. Up to the year 2008, SACCOs were operating without regulatory and supervisory framework that is appropriate for financial Co-operatives. Due to lack of harmonized standards in the sub-sector, it has been difficult to accurately estimate the financial health of the sub-sector and sub-optimal impact has been experienced through

the SACCOs. Some of the major challenges that this sub-sector has experienced in the past include: Lack of adequate legal and regulatory framework; Archaic information and communication technology and multiplicity of different software programme; Weak governance in many SACCOs; Low level of professional skills development in management (both senior and junior staff); and Lack of institutional capacity development.

1.1.3 Balozi SACCO Society Limited

Balozi SACCO was formed and registered as a Co-operative Society in the year 1975. The SACCO draws its membership from Kenyans who work in the United States of America (USA) Embassy, United States Agency for International Development (USAID), Walter Reed Project, Library of Congress, Peace Corps, British Broadcasting Corporation, Kenya Kazi (KK) Guards and any other organized groups that the board of directors may deem fit and approved by members in the Annual General Meeting (AGM). The overall objective for which the SACCO was established was to promote the economic and social interests of members in accordance with the co-operative principles.

The SACCO affairs are governed by the Co-operatives Societies Act, the SACCO Act, its by-laws, policies and procedures. The board of directors is responsible for policy decisions while the supervisory committee (SC) ensures provisions of the governing Acts, Society by-laws, policies and procedures are adhered to. Since its inception, Balozi SACCO has experienced growth in its membership, share capital, member deposits and advances. As at December 2011 its membership was 2,168 with a share capital of

Kshs.4.3 million and member deposits of Kshs.1.1 billion. The society's loans to its members stood at Shs 1.4 billion in December 2011 (2010, annual report and financial statement). The SACCO is among the best performing SACCO among the Non-deposit taking SACCOs. In the year 2010 Balozi SACCO was honoured with best managed company/NGO sector- 3rd position; highest average saving company/NGO sector- 3rd position and highest average savings countrywide- 3rd position during Ushirika day (Chairman's Report, FY 2010). In the year 2011 the SACCO participated in the Institute of Certfied Secretaries of Kenya sponsored Cooperate governance of the year award and were honoured with Chairman of the year award category- 2nd runners up (Chairman's Report, FY 2011).

Balozi SACCO has had two strategic plans; the 1st for the period 2005-2009 and the current plan covering periods 2010-2014. The SACCOs vision is to; be the leading provider of member based financial services and the mission is; to provide a variety of financial products and services through efficient and effective mobilization, marketing and optimal investment of funds for sustainable growth. An analysis of performance of the SACCO based on the goals set in the current strategic plan indicates that though has been successful in some of the major milestones such as ICT upgrading, loan portfolio and member deposits, the SACCO has not been able to achieve some of the targets set in their plan especially in membership growth and number of staff (Strategic Plan 2010-2014 and 2010, annual report and financial statement). For instance the SACCO had planned to establish a robust marketing unit which has not been established to date. It is evident that strategy implementation remains a major challenge for the SACCO.

1.2 Research Problem

Organizations operate in very turbulent environments as observed by pearce and Robinson (2005), thus making strategy implementation the greatest challenge in the strategic management process. According to Johnson and Scholes (1999) strategy implementation is concerned with the translation of strategy into organizational action through the organizational structure and design, resource planning and the management of strategic change. Successful implementation of strategy is likely to be dependent on the extent to which these various components are effectively intergrated to provide, in themselves competences which other organizations find difficult to match. It thus becomes necessary for an organization to cultivate the right practices in strategy implementation as well as ensure a consistent monitoring of factors that may affect the strategy implementation process.

Since its inception in the year 1975, Balozi SACCO has experienced growth in its membership, share capital, member deposits and advances. This growth in membership, deposits and other parameters has brought with it challenges that the SACCO requires to deal with so as to consistently provide quality service to the members. In addition, the changes in the SACCO's operating environment require clear policies and strategic direction. While the SACCO has developed and documented strategic plans, more work needs to be put in place to ensure adequate strategy implementation. While the SACCO has been successful in various areas such as implementing governance structures and ICT

system within the SACCO, it still experiences major challenges in other aspects such membership growth and expansion of its market.

Strategy implementation has had great attention in the recent past among many companies leading to a number of research studies being carried out over the years. This include strategy implementation and its challenges in NGOs in Kenya, a case study of AMREF (Muthuiya, 2005), Challenges facing K-REP bank in implementing strategic plans (Benson 2006), Challenges of strategy implementation at Kenya Industrial Estates (Ochanda, 2006), Challenges of strategy implementation in Scripture Union of Kenya (Nguma, 2006), Challenges for strategy implementation in Barclays Bank Ltd (Githui, 2006), Challenges faced by University if Nairobi in Implementing Strategies (Oyugi, 2007), Challenges of Strategy Implemenation at National Bank of Kenya Ltd (Gitonga, 2010), Challenges of strategy implementation at NASSEFU Cooperative Savings and Credit Society Ltd (Langat 2010), Challenges facing National Social Security Fund SACCO kenya in the implementation of strategy (Kisulu 2011). However after reviewing studies done in the past in this area it was found that no study has been undertaken on strategy implementation in Balozi SACCO Society Limited. Being one of largest BOSA services operating SACCO in terms of asset size, there was thus a need to undertake a study aimed answering the research questions; what are the various strategy implementation practices in Balozi SACCO Society Limited? and what are the factors influencing strategy implementation in Balozi SACCO Society Limited?

1.3   Research Objective

The objectives of this study were:

i.   To determine the strategy implementation practices in Balozi SACCO Society Limited

ii. To determine factors affecting strategy implementation in Balozi SACCO Society Limited.

1.4   Value of the Study

This study is important as it will help management of Balozi SACCO Society Limited in the choice of strategy implementation practices which is one of the most important decisions of the SACCO. It will guide the managers in determining the best practices in strategy implementation and ensuring that SACCO achieve the strategies that they set to undertake. The findings of the study have highlighted some of the major factors affecting strategy implementation in the SACCO.

The study is important for policy makers to be able to give direction towards improving the SACCO sub-sector. The study has highlighted factors affecting strategy implementation in Balozi SACCO and possibly other SACCOs. Policy makers would be able to provide support to SACCOs in addressing some of the factors that affect strategy implementation. The regulatory authorities will be informed in putting in place regulatory framework that would support successful strategy implementation and growth among SACCOs in Kenya.

The outcome of this study also facilitate in theory building in the area of strategy implementation. This is because the findings of this study provide an understanding the practices of strategy implementation among SACCOs and factors affecting strategy implementation. The findings of the study might support some of the already undertaken researches or might bring a new dimension on the concept of strategy implementation.

CHAPTER TWO

LITERATURE REVIEW

2.1   Introduction

This chapter presents a critical and in depth evaluation of previous research in the field of strategic management. The areas covered are; the concept of strategy, strategy implementation and factors affecting strategy implementation.

2.2   The Concept of Strategy

Different scholars have explained strategy in diverse ways. Chaffee (1985) asserts that strategy is multidimensional and situational, but it suffers from the problem of three distinct, and in some ways conflicting, views on strategy. The models are: linear strategy, adaptive strategy, and interpretive strategy. Hofer & Schendel (1978) developed an early taxonomy of the field. However, other scholars have attempted to make sense of the literature by moving beyond a taxonomy, two examples are Whittington (1993) and (Rouleau & Seguin, 1995).

Strategy is a central concern for practically any organization. According to Johnson and Scholes (1998), Business strategy is the direction and scope of an organization over the long-tem; which achieves advantages for the organization through its configuration of resources through a challenging involvement to meet the needs of the markets and to fulfills stakeholders expectations. Thompson, (1993) also defines strategy as the match between an organization's resources and skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish. Since strategic

decisions influence the way organizations respond to their environment, it is very important for a firm to manage strategic decisions and hence importance of strategic management. (Pearce and Robinson, 2007).

Mintzberg (1995) developed a "five-P-model" for the definition of strategy, which provides some understanding to the meaning of the concept. The Ps are Plan, Ploy, Pattern, Perspective and Position. A plan is a consciously intended course of action, or a guideline for dealing with a certain set of situations. The classical conception of strategy can be seen in military strategy, in game theoretical management literature (Neumann and Morgenstern 1947). According to Mintzberg (1995) is also possible to view strategy as a ploy, a plan with a more narrow and specific scope or a certain maneuver. According to the pattern-view, strategy is not a preconceived plan, but a consistency in behaviour. (Mintzberg 1994). A similar argument is given by Bartlett and Ghoshal (1994) who emphasize the need for managers to provide purpose for the members of their organizations. The Position view suggests that the organization has to create a fit for itself in relation to its competitors, external stakeholders and so on. According to the perspective view, strategy defines the way the organization's members view the organization's environment, the organization's identity and themselves as members of the organization. Andrew (1998) defined strategy as a pattern of decisions in a company that determines and reveals its objectives, goals, plans for achieving those goals and defines the range of business the company is to pursue.

Knights (1992) claims that strategy is a form of imperialism located within a discourse which cloaks the power of managers as a class in culturally acceptable clothing of science and objectivity. Shrivastava (1986) maintains that strategy is an ideology as it meets the five criteria which identify an ideology. Shrivastava's view of strategy is an inclusive dialogue which takes into account the well being of stakeholders, the notion of praxis. His view of strategy as praxis is contrasted with the economics view of Porter's (1980) five-forces framework which attempts to identify variables to maximise the profits of an individual firm.

Pearce and Robinson (2007), state that since strategic decisions influence the way organizations respond to their environment, it is very important for a firm to manage strategic decisions and hence the importance of strategic management. According to Lumpkin and Taylor, (2005), strategic management consists of the analysis, decisions and actions an organization undertakes in order to create and sustain competitive advantages. It is concerned with the analysis of strategic goals (vision, mission, and strategic objectives) along with the analysis of the internal and external environment of the organization.

2.3   Strategy Implementation

In strategic management process, after formulating, implementing is the most important stage. Implementing strategy is the connecting loop between formulating and control. Noble (1999) makes a distinction between structure-minded and interpersonal process minded views on strategy implementation. For the structure-minded the important factors

in strategy implementation are organizational structure and control mechanisms. The interpersonal process minded are interested in such things as strategic consensus, autonomous strategic behaviors, diffusion perspectives, leadership and implementation processes and finally communication and interaction processes.

A new strategy must first be institutionalized then operationalised for effective implementation (Pearce and Robinson 2005). Institutionalization of strategy is the alignment of the strategy to the organization's structure, leadership, culture, company resource and support systems which must permeate the whole organization. Operationalization means putting the strategy into action by developing plans and short term objectives, functional tactics, provision of adequate budget and empowering personnel who will perform the activities. A strategy could be good but it may fail if not properly institutionalized and operationalized.

The effective implementation of strategy depends on the strategic capability of the organization. The implementation of strategy also involves managing of strategic change; and this requires action on the part of managers in the process of managing strategic change. These mechanism are likely to be concerned not only with organizational redesign, but also with changing day-to-day routines and cultural aspects of the organization and overcoming political blockages to change. According to Ansoff and McDonnell (1990), one major source encountered in implementing strategy comes from the fact that in most organizations the pre-strategy decision-making process is heavily politically influenced.

Great strategies are worth nothing if they cannot be implemented (Okumus and Roper 1999). It can be extended to say that better to implement effectively a second grade strategy than to ruin a first class strategy by ineffective implementation. Less than 50% of formulated strategies get implemented (Mintzberg 1994; Miller 2002; Hambrick and Canella 1989). The performance of a firm is a function of how effective it is in converting a plan into action and executing it. Thus implementation is the key to performance, given an appropriate strategy.

2.4   Strategy Implementation Practices

According to Bryson (2005), management commitment is one of the best practices in the strategy implementation process. The old adage that commitment must come from the top holds true is strategy implementation. Senior management must be committed to achieving compliance with a firm determination to accomplish the objective, allocate the necessary resources, and assign responsibility. Machuki (2005), states that good strategies only guarantee success if they are translated into action that yields acceptable results. Further, the treatment of strategy implementation as an administrative process makes it subject to the manifestations of an organization's internal environment. consequently, the context in which strategy implementation takes place determines the nature of the challenges faced as well as influences the outcome of the strategy.

Team appointment is an important task in strategy implementation practices. Organizing a corporate-level quality steering council or project team by top management is the

necessary first step in planning and implementing a documented quality strategy. This team must be responsible for coordinating all activities related to all the levels of organizing in preparing the quality strategy. The members of the team should be selected based on their expertise and the contribution they can make in successfully achieving strategy goal (Machuki,2005; Aosa, 1992).

Training for all staff is critical ingredient in strategy implementation. It is essential that everyone comprehend the meaning and the requirements of strategy implementation, as it demands the full participation of all employees in formulating and implementing an effective quality system. Letting everyone know why you are introducing the strategy reduces the resistance to change and gains support for continued compliance (Okumu, 2003; Aosa, 1992).

Developing an implementation plan is crucial in strategy implementation process. An implementation plan must be developed which may include but not limited to the following items; review of strategy requirements; discuss audit questions; evaluate compliance of individual units; discuss adequacy of existing systems; generate specific actions needed; assign responsibilities and obtain commitment; audit actions taken. Each week a different requirement from the standard may be chosen and necessary actions developed, an implementation plan can thus be evolved gradually. The status of each outstanding action can be reported and new actions can be listed each week. It is essential to view the implementation plan as a dynamic document. As you progress new items

will continually be added as you learn more about the company's systems and the requirements (Machuki, 2005; Okumu, 2003; Bryson, 2005).

Beer and Eisenstat (1996) propose three essential factors for successful implementation. First of all, the change process should be systemic. This means that both the human and systemic aspects of the organization should fit with each other in the organization. This is a very important point. It is easy to imagine a situation in which severe motivation problems would arise in effect of a lack of interest in one of these aspects. The second factor is the condition that the change process should encourage the open discussion of barriers to effective strategy implementation and adaptation. All impediments to strategy should be taken in to account and the most reliable way to get the best information is to include the largest possible number of the organization's members into the discussion. The authors also suggest that the change process should develop a partnership among all relevant stakeholders. This perspective is also advanced by Campbell & Goold (2000) who propose that there is need for collaboration across functional units for successful strategy implementation.

Various scholars such as (Ansoff 1984; Higgins 1990; Pearce and Robinson 1996;) suggest that the starting point of implementation is the selection and transformation of organizational structure. The basis of strategy implementation, according to these, is the coordination of goals and tasks, resources and control. The next concern is formed by the organization's systems, the budgeting being one of the most important concerns. Structure and system interconnect in many cases since both are wide and abstract

concepts that nominate the rule-like, human-independent aspects of organizational life. Other literature (Johnson and Scholes 1999; Shrivastava 1994; Thompson and Strickland 1995; Judson 1990) include a third variable for strategy implementation in addition to structure and systems: the required cultural measures in the organization.

Leadership should provide a vision, intiative, motivation and inspiration in steering the organization to undertake changes required in strategy implementation. The chief executive should cultivate team spirit and act as a catalyst in the whole strategy implementation process. The other managers need to team up with the CEO in implementing strategy. Their motivation and commitment to the strategy may require leadership changes through transfers, retirements, demotions, promotions, hiring and training. Some of these are necessary to pave way for desired leadership (Yabs 2007)

2.5   Factors Influencing Strategy Implementation

Beer and Eisenstat (2000) have catalogued a group of relevant, inhibiting factors to strategy implementation and learning. The factors are: either a top-down or laissez-faire management style, unclear strategy and conflicting priorities, an ineffective senior management team, poor vertical communication, poor coordination across functions, plus inadequate down-the-line leadership skills and development. The authors seem to clearly acknowledge the need for large-scale communication as well as at least partial participation and on the other hand leadership and organizational integrity.

Alexander (1985) suggests that some factors that affect strategy implementation include fit between human resources and the organizations structure and systems as well as vertical communication in both directions. Sababu (2007) states that successful strategy implementation depends to a large extent on the organizational structure because structure identifies key activities within the organization and the manner in which they will be coordinated to achieve strategy.

Awino (2001) in the study to investigate effectiveness and problems of strategy implementation of financing higher education in Kenya by the higher education loans board identified lack of fit between strategy and structure as factor affecting successful strategy implementation. He cited lack of fit between strategy and structure; inadequate information and communications systems; and failure to impart new skills. Aosa (1992) conducted an empirical investigation of aspects of strategy formulation and implementation within large private manufacturing companies in Kenya. Aosa (1992) observes that lack of compatibility between strategy and culture can lead to high organizational resistance to change and demotivation, which can in turn frustrate the strategy implementation.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter will discuss the research design used, data collection methods and the data analysis methods applied.

3.2 Research Design

The case study research design was used and this involved an in-depth analysis of strategy implementation with Balozi SACCO. This design was appropriate for this study because it provided an opportunity for an in-depth analysis as opposed to a sweeping statistical survey. By using case studies researchers are able to probe, collect and explain phenomena more deeply and exhaustively (Mugenda and Mugenda, 2003).

According to Young (1960), Case study is a powerful form of qualitative analysis that involves careful and complete observation of the social unit, irrespective of the type of the unit under study. Kothari (2004), states that a case study involves a careful and complete examination of a social unit, institution, family, cultural group or an entire community and embraces depth rather than breath of the study.

3.3 Data Collection

In this study primary data was collected through the use of an interview guide. The data was qualitative and was collected by use of an interview guide which was administered to

the senior management staff. The staff interviewed were the CEO/The Manager, Head of Finance/ Accountant, Head of Loans and Head of Administration/ICT Officer.

The researcher made appointments with the respective respondents and conducted face to face interviews. The interview guide was semi-structured implying that some questions had a definite response while others were indefinite.

3.4   Data Analysis

Given that this was a case study and that the data obtained was mainly qualitative data, content analysis was used to analyze qualitative information collected during the survey. Analysis of data collected was compared with the theoretical approaches and documentations cited in the literature review. The data obtained from managers in various departments was compared in order to obtain more understanding and revelation on the issues under study.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1   Introduction

This chapter presents the analysis and the discussion of research findings in line with research objective which was determine the strategy implementation practices and factors affecting strategy implementation in Balozi SACCO. Qualitative data was collected from four senior managers in Balozi SACCO through a use of an interview guide. The data was analysed by use of content analysis. The responses from the various managers were compared and key themes arising from the discussions were identified. It was noted that there was a high similarity on the responses from the various managers. The section below outlines the key findings on the practices of strategy implementation and factors affecting strategy implementation in Balozi SACCO.

4.2   Strategy Implementation Practices

The responses to questions under this category were similar among the various respondents. On the question whether strategy implementation was linked to strategy formulation, the respondents indicated that this was the practice in Balozi. During the formulation stage, the staff and management think through the process and appoint specific implementers for each strategy. The process also includes estimating the cost of implementing each of the formulated strategy and thus planning to put in place the required budget. This ensures that the various know their responsibilities from the on-set and able to raise and misgivings they might be having against the set strategies and the

specific objectives. As per the management of the SACCO this practice reduces the chances of putting down unrealistic strategies or objectives and thus bridging the gap between strategy formulation and implementation.

On the question whether the staffs are involved in strategy formulation and implementation, the respondents indicated that all the staff in the SACCO were involved in the entire process. During the formulation stage, the supervisors of various departments gather suggestions from the various members in their team which are presented to the management. The SACCO also holds workshop with the staff to obtain their contribution on the strategy prior to the approval. This practice reduces resistance to change and brings ease of implementation as the implementers who are mostly the staff can relate with the strategy.

Commitment of the management and leadership to strategy implementation is an important practice within Balozi SACCO. The management indicated that the current management and the leadership in the Board of Directors is very committed to the strategy and this enabled the SACCO achieve great heights in the implementation of the plan. According to the respondents the commitment of the management to the strategy communicates to other staff, the seriousness of the matter and also provides a role modeling for the staff. When the management is committed to the strategy it also avails the required resources for the implementation of the strategy and thus makes the implementation possible with enhanced ease.

Another strategy implementation practice in Balozi according to the respondents is the training of the staff on all keys skills required for the implementation of the strategy. The SACCO also undertakes regular TNAs to identify gaps between the staff current skills and their required as per responsibilities. The training ensures that all staff have a common understanding in regards to what the strategy requires. The training also ensures development of the necessary skills required for staff to undertake their jobs in line with the SACCO's strategy.

Preparation of an implementation plan is another strategy implementation practice in the SACCO as per the respondents. In the plan the SACCO identifies specific activities to be undertaken under each strategy, persons responsible, performance indicators, time frame and the estimated budget under each strategy. The practice enables the breaking down of the strategy to actionable points which are easier to understand and can actually be acted on. The plan also forms a basis for monitoring and evaluation especially due to the identification of the actors, the timelines and the performance indicators. All these reasons make implementation of the strategy much easier as the implementers are able to think about the implementation long before it actually takes place and therefore be able to put in place the right mechanism in place.

The SACCO considers undertaking regular reviews of the strategy as an important practice in strategy implementation. The respondents indicated that the departmental review meetings are held quarterly whereby departments review the progress made in the implementation of their respective strategies. The SACCO also has in place a supervisory committee which undertakes regular audits on the implementation process.

The individual, departmental and corporate performance is measured against set performance targets. The actors also get opportunity to explain any challenges experienced and the reasons that caused any shortfalls. Balozi also undertakes mid-term reviews which are undertaken with assistance of external consultant. During the evaluation, the set standards are revised to reflect any fundamental changes that might have taken place in the environment.

In response to the question whether the SACCO considered identification of risk factors as an important practice, the respondents indicated that the SACCO identifies risk factors during strategy formulation that might affect implementation. This allows the management to devise mechanism of minimizing the potential risk. This process of identification of risks is on-going through the implementation process and enables the management to address the identified risk factors and thus enhance the success rate of the strategy implementation.

4.3   Factors Affecting Strategy Implementation

Arising from the interviews held the various managers, the factors identified that affect strategy implementation in Balozi SACCO include;

4.3.1   Leadership Style

The respondents indicated that the leadership style is a major factor affecting strategy implementation. The leadership can either affect strategy implementation positively if it is favourable with the people or can affect strategy implementation negatively if not favourable with the people. The management in Balozi SACCO, the leaders have adopted a leadership style which is people involving and this has given the staff confidence and a

sense of belonging. This has motivated the staff to make their contributions to overall SACCO strategy and the respondents felt that is has been a major reason why the SACCO has managed to meet most of its set goals and objectives.

4.3.2 Organizational Structure

The respondents pointed out their strong inclination to the theory that structure follows strategy. This is because the structure must support the strategy if the organization is to achieve its goals. As a practice the SACCO reviews its structure every time they review their strategy to ensure that the structure is aligned to the strategy. For instance during the formulation of the current strategic plan, the SACCO realized that they needed a more customer focused service to maintain and grow membership. This necessitated a review of structure to include a customer service function which has enabled the SACCO to achieve its strategy. Two of the respondents also felt that the current structural reporting lines between the BOD and the management has affected positively to the strategy implementation. The BOD has functional sub-committees i.e. the executive, education, finance and credits committee which operate separately and report to the board. The current structure is that a member of the management team sits in each of these sub-committees. For example the CEO sits in the executive sub-committee; the head of finance sits in the finance committee while the head of credit/ loans sits in the credit committee. This structure has facilitated communication and quick feedback between the board and the management and has thus facilitated strategy implementation.

4.3.3 Organizational Culture

Organizational culture is another factor that affects strategy implementation. Two of the respondents pointed out that there had been a time when the SACCO staff had a negative culture, when they had lax on serving the customers and there had been a general feeling that the customers was not entitled to service. The staff were not actively seeking to serve the customers. The respondents cited that this costed the organizational in terms of time and resources. The staff were not motivated to work, there was high level of customer complains very little was achieved. They however commented that in past few years this has changed, the staff have gone through a series of trainings and the leadership has been key in role-modeling the right behavior. They staff are more willing to serve and are therefore able to meet their targets. The customers are more satisfied and less time is wasted; one of the participants noted that an AGM meeting which used to take a whole day, now takes only two hours.

4.3.4 Financial Resources

The respondents noted that lack of adequate resources has been a major factor that has affected strategy implementation in the SACCO. Some of the set strategies had to be deferred to a later period due to lack of adequate resources. This was also enhanced by the fact that the budget allocated during formulation is an estimate and the real cost is sometimes higher than what had been budgeted. In the SACCO operations the budget has to be approved by the members and so in such occurrence, the SACCO has to wait for another year to get the approval of the additional budget. This delays the implementation

process and sometimes halts the process if the additional budget does not receive the approval of the members.

4.3.5 Human Resources

The human resource is a major factor affecting strategy implementation in Balozi SACCO. This is both in terms of the numbers and the competencies of staff. The SACCO has had to increase the number of staff in the past few years in order to achieved that ambitious growth strategy the SACCO had adopted. The SACCO has also been affected in its performance and the ability to achieve its strategy due to the competency of its staff. While most of the staff are very competent and able to perform their duties excellently, other staff have gotten promotions due to being in the SACCO for a long period as opposed to their competence and ability to perform. Human resources also affect strategy implementation due to their level of motivation. Is the staff are motivated to do their work this has a positive impact on strategy implementation as opposed to when the staff are demotivated.

4.3.6 Competency of the BOD

The competency of the members of the board is another factor affecting strategy implementation in Balozi SACCO. This has been both in the positive and in the negative. While the SACCO has been fortunate to have a very focused and competent chairman some of the members of the board are in the board by virtue of being able to convince voters to elect them. In addition to the fact that these board members are unable to perform their duties in the board, they could sometimes vote down a good decision and pass a wrong decision just to please the customers so as to win their votes.

4.3.7 Regulatory Framework

The respondents cited the regulatory framework as another factor affecting strategy implementation. This includes the governing Act and policies and the SACCO by-laws. For example while the SACCO had an ambitious strategy for growing its income through investment, the current SACCO Societies Act, 2008 puts limitations in the areas where the SACCOs can invest and also the percentages. This has forced many SACCOs to establish subsidiary companies to undertake investments on behalf of the SACCO. The approval to establish the company by the SACCO members sometimes it takes a long time like it has been in the case of Balozi SACCO. Another limitation is posed by by-laws which describe the common bond within which the SACCO can obtain its members. While the SACCO has a strategy of growing membership, its limited on where these members can be obtained. A review of the by-laws to include another category of customers requires approval of members and may take time.

4.3.8 Information Technology

Information technology is an enabler and it is thus a major factor affecting strategy implementation. Most of the strategies that the SACCO has put in place have been facilitated by IT. These include enhancing communication with members through avenues such provision of E-statements, communication through email and providing information on the SACCO website. The level of IT has therefore facilitated the achievement of various strategies in the SACCO.

4.4   Discussion

In discussing the findings of this study, the researcher has compared them with findings of other researchers as outlined in the literature review chapter.

4.4.1   Strategy implementation practices

The finding on the commitment of the management to the strategy agrees with Bryson (2005), who had stated that management commitment is one of the best practices in the strategy implementation process. The old adage that commitment must come from the top holds true is strategy implementation. Senior management must be committed to achieving compliance with a firm determination to accomplish the objective, allocate the necessary resources, and assign responsibility.

In this study the researcher also found out that team appointment was key practice in strategy implementation which is what had been suggested by (Machuki, 2005; Aosa, 1992). This team must be responsible for coordinating all activities related to all the levels of organizing in preparing the quality strategy. The members of the team should be selected based on their expertise and the contribution they can make in successfully achieving strategy goal.

The finding on training of staff was in agreement with the findings of (Okumu, 2003; Aosa, 1992) who stated that training for all staff is critical ingredient in strategy implementation. It is essential that everyone comprehend the meaning and the requirements of strategy implementation, as it demands the full participation of all

employees in formulating and implementing an effective quality system. Letting everyone know why you are introducing the strategy reduces the resistance to change and gains support for continued compliance

Machuki, (2005); Okumu, (2003) ; Bryson, (2005) had suggested that developing an implementation plan is crucial in strategy implementation process a fact which was supported by the findings of this study. The plan helps translate the strategy into actionable points and acts a basis for monitoring and evaluation.

Yabs (2007) suggests that leadership should provide a vision, initiative, motivation and inspiration in steering the organization to undertake changes required in strategy implementation. This proposition is supported by the findings of this study. The chief executive should cultivate team spirit and act as a catalyst in the whole strategy implementation process. The other managers need to team up with the CEO in implementing strategy.

4.4.2   Factors Affecting Strategy Implementation

Beer and Eisenstat (2000) have catalogued a group of various factors affecting strategy implementation and learning. The factors are: either a top-down or laissez-faire management style, unclear strategy and conflicting priorities, an ineffective senior management team, poor vertical communication, poor coordination across functions, plus inadequate down-the-line leadership skills and development. The findings of this study also identified the leadership style as one of the factors affecting strategy implementation.

Alexander (1985) suggests that some factors that affect strategy implementation include fit between human resources and the organizations structure and systems as well as vertical communication in both directions a proposition which is also supported by the findings of this study.

The need for organization to ensure a fit between the strategy and the structure was also advanced by Awino (2001) in the study to investigate effectiveness and problems of strategy implementation of financing higher education in Kenya by the higher education loans board identified lack of fit between strategy and structure as factor affecting successful strategy implementation. He cited lack of fit between strategy and structure; inadequate information and communications systems; and failure to impart new skills.

This research also identifies organizational culture as a factor affecting strategy implementation a proposition that had been advanced by Aosa (1992) who conducted an empirical investigation of aspects of strategy formulation and implementation within large private manufacturing companies in Kenya. Aosa (1992) observes that lack of compatibility between strategy and culture can lead to high organizational resistance to change and demotivation, which can in turn frustrate the strategy implementation.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1   Introduction

This chapter addresses the research questions and objective outlined in chapter one which is to determine the strategy implementation practices and factors affecting strategy implementation in Balozi SACCO. It also covers the limitations of the study and suggestions for further research.

5.2   Summary

The findings of this study can be summarized as; the strategy implementation practices in Balozi SACCO include the linking of strategy formulation to the strategy implementation process. This enables the SACCO to think of the implications of implementation of the strategy even at formulation stage.

Another practice in Balozi SACCO is that of the involvement of staff in strategy formulation and implementation. This facilitates the understanding of the strategy across the organization and by all staff who are the major implementers. The staff feel part of the process, they own the strategy and thus there is less resistance during implementation.

Commitment of the management and leadership to strategy implementation is another important practice in the SACCO. The management commitment to the strategy is considered key since it communicates to other staff the seriousness of the matter and the

importance attached to the strategy. The support of the management to strategy also ensures that the required resources are availed.

Training of the staff is considered as key practice within Balozi SACCO since it helps in developing competencies and skills of the staff to enable them perform their tasks in pursuit of the organizational strategy. This also entails the strategy workshops which are held with the staff to ensure that they understand the strategy. This makes implementation much easier because the staffs understand the strategy and the roles they need to play for the strategy to be achieved.

Preparation of an implementation plan and undertaking regular reviews of the strategy are other practices in Balozi SACCO. The preparation of the plan makes implementation easier by breaking down the strategy into actionable points with specific tasks, measurable milestones and timelines. It also forms a basis for monitoring and evaluation. Undertaking of regular reviews also ensures that the implementation actually takes place. It allows the management to identify any challenges arising and address them.

Identification of risk factors is also considered as an important practice in the SACCO. It enables identification of risks which may deter the strategy implementation and the management is then able to come with mechanisms of mitigating this risks.

The factors identified to affect strategy implementation include; leadership style, organizational structure, organizational culture, human resources, financial resources, competency of the BOD, regulatory framework and information technology.

5.3   Conclusion

The strategy implementation strategy within Balozi SACCO are not unique only to the SACCO since they have been found in other researchers from other organizations. Also ganging from the performance of the SACCO in the industry and also the milestones that the SACCO has achieved in implementing the current strategic plan, it can be concluded that these practices i.e. linking of strategy implementation to strategy formulation, staff involvement, management commitment, training, preparation of implementation plan, regular strategy reviews and identification of risk factors are key to success of strategy implementation for any organization.

The factors affecting strategy implementation within Balozi SACCO have also been found in other researchers from other organizations and it can thus be concluded that any organizations needs to watch out for these factors to ensure success in strategy implementation. These factors are; leadership style, organizational structure, organizational culture, human resources, financial resources, regulatory framework and information technology.   The competency of the BOD may be unique to SACCOs due the nature of SACCOs and how board members are elected and thus this is a factor that the SACCOs in Kenya need to watch out for.

5.4   Recommendations

Arising from the findings of this study and the situations facing the SACCO, the researcher makes the following recommendations; in order to address the issue of competencies of the BOD; the SACCO can team up with other SACCOs in lobbying with government through the ministry of co-operative development and marketing and other relevant advocacy bodies in the sub-sector such as CAK, KUSCCO and KERUSSU to put in place a legislation directing on the qualifications of persons who can be elected to serve in the board of directors. Such regulation will ensure that no incompetent persons are voted by virtue of their ability to convince people.

The SACCO can also review its by-laws to open the common bond to allow the SACCO to attract members from a wider market than it is currently. This will also require lobbying with government for the revision of the Sacco Societies Act, 2008 to allow for SACCOs to serve non-members as most of them move to offering FOSA services.

5.5   Limitations of the Study

The limitations to this study included; this study being a case study, the findings could not be generalised to apply to all organizations. This is because the researcher concentrated on obtaining in-depth information on Balozi SACCO as opposed to studying several organizations.

Another limitation of this study was in terms of time constraint. The researcher had only limited time to undertake the study and this limited the research in terms the time that could have been spend in data collection and analysis.

5.6 Recommendations for Further Research

As mention earlier this study adopted a case study research design and thus only concentrated on Balozi SACCO. A useful further research would be to study on strategy implementation practices and factors affecting strategy implementation in SACCOs by studying several such organizations.

Since the SACCOs seem to have various issues emanating from their current regulatory framework, another useful study would be on the impact of regulatory framework on the growth strategy by SACCOs and how this can be addressed.

REFERENCES

Alexander, L. D. (1985), *Successfully Implementing Strategic Decisions.* Long Range Planning, 18, 91-97.

Andrews, K. R. (1998), *The concept of Corporate Strategy.* Prentice hall: London.

Andrews, K. R. (1971), *The Concept of Corporate Strategy.* Homewood, IL: Irwin.

Ansoff, I. and McDonnell, E. (1990), *Implanting Strategic Management.* New York: McGraw Hill.

Ansoff, H.I. (1998), *How will strategic management matter in the 21st century*, paper presented at the Academy of Management, Annual Meeting, San Diego, CA.

Aosa, E. (1992), An empirical Investigation of Aspects of strategy formulation and Implementation within Large Private Manufacturing Companies in Kenya, *Unpublished PHD Thesis, University of Strath Clyde.*

Awino Z. B. (2001), Effectiveness and Problems of Strategy Implementation of Financing Higher Education in Kenya by the Higher Eduaction Loans Board, *Unpublished MBA Project*, University of Nairobi

Bartlett, C. A. & Ghoshal, S. (1994), Changing the Role of Top Management: Beyond Strategy to Purpose. *Harvard Business Review*.

Beer, M. & Eisenstat, R. A. (2000), The silent killers of strategy implementation and learning, *Sloan Management Review*.

Benson, K. (2006), Challenges facing K-REP bank in implementing strategic plans, *Unpublished MBA Project Paper*, University of Nairobi

Berger, P. L. and Luckmann, T. (1967), *The social construction of reality: a treatise in the sociology of knowledge*, New York: Doubleday.

Bryson, J.M. (2005), The Strategy Change Cycle: An effective Strategic Planning Approach for Non profit Organizations. In R.D. Herman, *The Jossey- Bass Handbook of Nonprofit Leadership and Management*, 2nd ed., San Francisco: Jossey- Bass.

Campbell, A. and Goold, M. (2000), *The Collaborative Enterprise*. Cambridge, MA: Perseus Books.

Githui, J.K. (2006), Challenges for strategy implementation in Barclays Bank Ltd, *Unpublished MBA Project Paper*, University of Nairobi.

Gitonga, M. D (2010), Challenges of Strategy Implemenation at National Bank of Kenya Ltd, *Unpublished MBA Project Paper*, University of Nairobi

Higgins, J. M. (1990), *Strategy: formulation, implementation control*. Chicago: Dryden Press.

Johnson G. & Scholes K. (1999), *Exploring Corporate Strategy*. Fifth edition. Prentice Hall Europe, London.

Judson, Arnold S. (1990), *Making strategy happen: transforming plans into reality*. Oxford: Blackwell.

Kisulu, S.M (2011), Challenges facing national social security fund Sacco kenya in the implementation of strategy, *Unpublished MBA Project Paper, University of Nairobi.*

Langat, R.K. (2010), Challenges of strategy implementation at NASSEFU Cooperative Savings and Credit Society Ltd, *Unpublished MBA Project Paper, University of Nairobi..*

Mintzberg, H. (1994), The fall and rise of strategic planning. *Harvard Business Review.*

Mintzberg, H. & Quinn, J. B. (1995), *The Strategy Process. Concepts, Contexts, Cases.* 3rd Edition. USA: Prentice-Hall, Inc.

Mugenda, O. M., & Mugenda, A.G. (2003), *Research methods: Qualotative and quantitative approach*, 173. Acts, Press.

Muthuiya, F.A (2005), Strategy implementation and its challenges in NGOs in Kenya, a case study of AMREF, *Unpublished MBA Project Paper, University of Nairobi.*

Nguma, E.M. (2006), Challenges of strategy implementation in Scripture Union of Kenya, *Unpublished MBA Project Paper, University of Nairobi.*

Noble, C. H. (1999), Building the strategy implementation network. *Business Horizons.*

Ochanda, R.A (2006), Challenges of strategy implementation at Kenya Industrial Estates, *Unpublished MBA Project Paper, University of Nairobi.*

Oyugi, H.O (2007, Challenges faced by University if Nairobi in Implementing Strategies, *Unpublished MBA Project Paper, University of Nairobi.*

Pearce, J. A. and Robinson, R. B. (1996), *Strategic management: formulation, implementation and control*, Burr Ridge, Irwin.

Pearce J. and Robinson R. (2005), *Strategic Management:* A.I.T.B.S Publishers.

Pearce J. A. and Robinson R.B (2007), *Strategic Management. Implementation and Control*, 3rd ed., Boston: Richard D. Irwin McGraw-Hill, USA.

Sababu, B.M. (2007), *Strategic Management and Analytical Approach*, 1st Edition, Jomo Kenyatta Foundation, Nairobi Kenya.

Sashittal, H.C., and Wilemon, D. (1996), Marketing Implementation in Small and Midsized Industrial Firms *An Exploratory Study. Industrial Marketing Management*,

Senge, P. M. (1990), *The fifth discipline: The art & practice of the learning organisation.* Sydney, Random House.

Shrivastava, P. (1994), *Strategic Management – Concepts & Practices.* Cincinnati: South-Western Publishing Co.

Thompson A.A. and Strickland A.J. (1993), *Strategic Management Concepts and cases*, 7th Ed., New York: Richard D. Irwin.

Thompson, A.A. & Strickland, A.J. (1995), *Strategic Management – Concepts and cases.* Irwin, Chicago. 8th Edition.

Wooldridge, B. and Floyd, W (November 1992), *Managing strategic consensus*. The foundation of effective implementation, Academy of management executive

Whittington, R (1993), *What is Strategy and Does It Matter?* London: Routledge

Yabs, J. (2007), *Strategic Management in Kenya*: 1st Edition Nairobi Kenya Lelax Global Ltd

APPENDIX I

INTERVIEW GUIDE

Section A: Strategy Implementation Practices

1. Is the planning for strategy implementation linked with strategy formulation process in Balozi SACCO? Please explain

2. Are staff involved in formulation and implementation of the strategy in Balozi SACCO ?Please explain

3. Does Balozi SACCO consider management commitment to the strategy as an important practice?

4. Do you consider training and building the right implementation skills for all levels as a critical strategy implementation task? Please explain why you think the above is important

5. Do you consider developing an implementation plan as a critical strategy implementation task? Please explain why you think the above is important

6. Do you consider establishing a documentation structure as a critical strategy implementation task? Please explain why you think the above is important

7. Do you consider identification of risk factors and mitigating them as a key task in strategy implementation? Please explain why you think the above is important

8. Do you consider establishing an internal auditing system as a critical strategy implementation task? Please explain why you think the above is important

9. Do you consider team appointment as a critical strategy implementation? Please explain why you think the above is important

10. Do you undertake frequent monitoring & Evaluation of the implementation process? How does the practice help in strategy implementation?

11. To what extend does the SACCO include key Third-Party Partners in the Implementation Plans

12. Do you ensure allocation of adequate resources for strategy implementation?

13. As part of the SACCO leadership do you provide adequate direction in strategy implementation process?

14. Is the strategy adequately communicated to all the staff?

15. Do you undertake change management to overcome any internal/external resistance to change

16. What other strategy implementation practices are practiced in Balozi SACCO?

Section B: Factors Affecting Strategy Implementation

17. Does the level of involvement of staff in strategy formulation affects the implementation process

18. Do you think leadership affects strategy implementation? Please explain

19. Do you think Political interference affects strategy implementation in Balozi SACCO?

20. Does the level of competency among staff affects strategy implementation?

21. Does the level of staffing affect strategy implementation?

22. Are financial resources a factor affecting strategy implementation process in Balozi SACCO?

23. Does communication affect strategy implementation? Please explain

24. Does the fairness of HR & policies and reward systems affect strategy implementation in Balozi SACCO?

25. Does the level of information technology in the SACCO affect strategy implementation process?

26. What other factors affect strategy implementation in Balozi SACCO?

Thank you

APPENDIX II

INTRODUCTORY LETTERS

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162 Telegrams "Varsity", Nairobi Telex. 22095 Varsity	P O Box 30197 Nairobi, Kenya

DATE 10ᵗʰ August, 2012

TO WHOM IT MAY CONCERN

The bearer of this letter DAMARIS WAMBUA

Registration No. D61 66905 2010

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

IMMACULATE OMANG
MBA ADMINISTRATOR
MBA OFFICE. AMBANK HOUSE

48

9th August, 2012

Damaris Wambua
P.O Box 77205-00200
Nairobi

The Chief Executive Officer
Balozi SACCO Society Limited
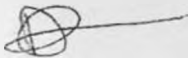P.O Box 11539-00400
Nairobi

Dear Sir,

RE: INTRODUCTION LETTER FOR DATA COLLECTION

My name is Damaris Wambua an MBA student at the University of Nairobi Registration No: D61/66905/2010. As part of my coursework assessment I am required to submit a research project on a management problem. I have identified Balozi SACCO as a case study for my research and I would therefore appreciate your assistance to enable collection of data in your SACCO.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to your SACCO on request.

Thank you.

Yours faithfully,

Damaris Wambua