

**CHALLENGES FACED BY KENYA SUGAR BOARD IN IMPLEMENTING  
STRATEGY ON SERVICE DELIVERY TO SUGAR CANE MILLERS IN KENYA**

**By**

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**DECLARATION**

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

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**CAREN ANGIMA**

## **DEDICATION**

I dedicate this study to my family members, for the support, understanding and encouragement that they have provided during all the years of my studies and as I prepared and worked on this project. **I LOVE YOU ALL.**

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First, I am indebted to the all-powerful GOD for all the blessings he showered on me and for being with me throughout the study. I am deeply obliged to my supervisor for her exemplary guidance and support without whose help; this project would not have been a success. Finally, yet importantly, I take this opportunity to express my deep gratitude to my loving husband, sons, daughters and friends, who were a constant source of motivation and for their never ending support and encouragement during this project.

## LIST OF ABBREVIATIONS AND ACRONYMS

<b>ITCI</b>	Information Technology and Communication Initiatives
<b>DSS</b>	Decision support systems
<b>ICT</b>	Information and Communication Technology
<b>DBMS</b>	Database Management System
<b>CBIS</b>	Computer based information systems.
<b>ITC</b>	Information Technology and Communication
<b>EAC</b>	East African Community
<b>CRM</b>	Customer Relationship Management
<b>COMESA</b>	Common Market for Eastern and Southern Africa
<b>SADC</b>	South African Development Community.
<b>EIS</b>	Executive Information System
<b>GDP</b>	Gross Domestic Product
<b>KSB</b>	Kenya Sugar Board
<b>IT</b>	Information Technology
<b>MOA</b>	Ministry of Agriculture
<b>WTO</b>	World Trade organization
<b>KSA</b>	Kenya Sugar Authority
<b>EU</b>	European Union
<b>CEO</b>	Chief Executive Officer
<b>KEBS</b>	Kenya Bureau of Statistics
<b>NEMA</b>	National Environment Management
<b>KEPHIS</b>	Kenya Plant Health Inspectorate Services

## **ABSTRACT**

A company's strategy is management's action plan for running the business and conducting its operations. Strategy on service delivery is thus an important element of this management process. For global business market acceleration, business must respond to customers faster than ever with value added products and services, while they struggle to maintain temporary competitive advantage.

The study was guided by the main objective which was to identify the challenges of implementation of strategy on service delivery by Kenya Sugar Board to Sugar Millers and to determine possible solutions to these Challenges. It utilized a case study on the Kenya Sugar Board. The target population was the managerial personnel at KSB and a total of eight representatives (one from eight sugar factories). Primary data was collected by the use of interview guide.

Findings show that the board was mandated to carry out various roles in the sugar industry and acting as the proxy between the various stakeholders and the government. There are various challenges that the Board is faced with which include the lack of adequate finances for implementation of projects, inadequate skills and expertise by the personnel and the general laxity and reluctance among various players/stakeholders. It is recommended that KSB incorporates other business analysis techniques in its service delivery strategy to millers. The Board needs to find more sources of funds for the implementation of service delivery and taking personnel to training or workshops to enhance their skills in the service provision to the stakeholders in the sugar sector.

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## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the study

Organizations strive to serve the needs of society in which they operate. They therefore need to be managed in a certain way so as to achieve their goals. For management of an organization to succeed, they must manage their strategy in an organized manner through planning. Planning is done by strategizing in different fields such as strategic management of organizations make strategic plans for a span of years. These are plans mainly for financial and human resources. It is in this regard that strategic management is referred to as an environmental scanning for both internal and external, strategy formulation, strategy implementation and evaluation and control. It emphasizes the monitoring and evaluating of external opportunities and threats in light of an organization's strengths and weaknesses. According to Aaltonen & Ikavalko, (2001) strategic management is that set of managerial decisions and actions that determines the long performance of organizations.

A company's strategy is management's action plan for running the business and conducting its operations. Crafting of a company's strategy represents a managerial commitment to pursue a particular set of actions in growing the business, attracting and pleasing customers, competing successfully, conducting operations and improving the company's financial and market performance. Strategy on service delivery is thus an important element of this management process. For global business market acceleration, business must respond to customers faster than ever with value added products and services, while they struggle to maintain temporary competitive advantage. According to Hambrick, D.C. & Cannella

(2003) strategic management has evolved over the years to the point that its primary values are helping organizations operate successfully in a dynamic and complex environment. According to (Aosa 1992), the key to gaining competitive advantage is the willingness and ability of employees to share their knowledge, skills and attitudes in the work process. The internal and external environment of an organization is important for its success. This means that the organization monitoring, evaluation and dissemination of information from both external and internal environment is undertaken to stakeholders. This helps the organization to identify strategic factors that can be used to develop the future business plan.

Services is defined as any act or performance that one party can offer another that is essentially intangible and does not result in the ownership of anything, its production may or may not be tied to a physical product. Services can also be defined as “activities, benefits, and satisfaction, which are offered for sale or are provided in connection with goods”. Hunger et al, (2000) defines a service as a complex of activities involving all areas of the business which combine to deliver a company’s services in a fashion that is perceived as satisfying by the consumer and which advances the company’s objectives. Service has also been described as “something which can be bought or sold but which you cannot drop on your foot” by Huse and Gabrielsson, (2004) as quoted by Kiptugen (2003). This study will adopt the definition by Okumus (2003). The definition has the following implications: to produce a service, one may not require the use of tangible goods, there is no transfer of title due to the absence of a physical good Pearce & Robinson (2007).

There is need for organizations to formulate service delivery strategies in order to gain competitive advantage. Strategy can also be defined as a plan, ploy, pattern, position and a perspective Okumus, (2003). This definition suits service delivery in the sense that for one to give a service there is a plan of how you will carry out the service. The service provider will need some tactics or a ploy in which to handle the case in question. There is a way in which it is done 'here'. It addresses who, where, when, and how to carry out strategic implementation process successfully (Raps and Kauffman, 2005). The strategic management in delivery of services consists of analysis, decisions and actions an organization undertakes in order to create and sustain competitive advantage. The process therefore is a full set of commitments required for a firm to create value and earn above-average returns (Olson et al, (2005). An organization's ultimate success or failure may be based on how well its management team charts the company's direction, develops competitively effective strategic moves and business approaches and pursues what needs to be done internally to produce good strategy execution and operational excellence (Sterling, 2003).

### **1.1.1 Implementation of strategy**

According to Thompson and Strickland, (2003) any companies acknowledge the significance of developing worthy associations with their stakeholders, however firms lack competence to create and sustain good relationships. Service is a concept and managing service obligates discernment of what priestly services alludes to customers (Tavakoli et al 2001). Managing a service is an interaction which calls for comprehending the much complicated behavior of employees and the customers. Organisations need to train, motivate and reward employees for demonstrating desirable behaviors in serving customers. To remain competitive,

companies are increasingly focusing on service delivery, by using Information Technology (IT) to reduce costs and create value added services to their customers (Wang, 2000).

For services to be delivered, an organization will always require a strategy to give direction and scope over the long term which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations (Thompson & Strickland, 1997). It is what a company does and how it actually positions itself commercially and conducts the competitive battle (Reed & Buckley, 1988). Strategy in service delivery is the game plan management has for positioning the company in its chosen market arena, competing successfully, pleasing customers and achieving good business performance (Thompson & Strickland, 1997). It involves change as organizations and their environment are constantly changing. Implementation programmes vary according to the nature of the strategic problems that the organization faces. They should be structured in such a way that it can respond to pressure for change from the environment and pursue any appropriate opportunities which are spotted (Bourgeois & Brodwin, 1984). Bryson, (1995) noted that while strategy formulation requires the abilities to conceptualize, analyse and judge, strategy implementation on service delivery involves working with and through other people and institutions of change. It includes division of work and assigning duties to individual departments and employees to carry out actual work.

In the ever changing competitive business environment, organizations require a strategic leader who is able to provide and share a clear vision, direction and purpose for the organization (Drazin and Howard, 1984). The role of the Chief Executive Officer (CEO) is

fundamental because a CEO is seen as a catalyst closely related with and ultimately is accountable for the success of a strategy. Both managers and employees should be involved in the implementation decision and adequate communication between all parties is important for successful implementation of strategy on service delivery. The right managers must also be in the right position for effective implementation of a new strategy (Drazin and Howard, 1984). Top management goodwill and ownership to drive the process is critical of effective implementation of the strategy required.

Freedman, (2003) noted that in all the companies they studied “the issue was not poor understanding of environmental forces or inappropriate strategic intent. Without exception, they knew what they had to do; their difficulties lay in how to achieve the necessary changes. Supporting this, Galbraith and Schendel, (1983) reports that organizations fail to implement more than 70 per cent of their new strategic initiatives. Given the significance of this area, the focus in the field of strategic management has now shifted from formulation of strategy to its implementation Johnson & Scholes, (2002). According to Hendry and Kiel, (2004) one key reason why implementation fails is that practicing executives, managers and supervisors do not have practical, yet theoretically sound, models to guide their actions during implementation.

There are many factors that affect the process of strategy implementation on service delivery. For strategies to be implemented on service delivery, lack of sufficient communication is a big problem. Johnson & Scholes (2002) states that both written and oral communication in most organizations is being used in form of top-down communication. Written

communication is a challenge due to many factors which include poor record keeping, choosing of the wrong media of communication, information being marked as confidential even when it is not necessary and management unwilling to delegate work to the junior officers. Oral communication on the other hand, is the type where no record is kept to show that such an act was done. This poses a lot of confusion when a spoken message or word cannot be traced on file or record for that reference.

Feedback is a factor that a Strategic Manager needs to embrace. The purpose of feedback is to alter messages so that the intention of the original communicator is understood by the second communicator. There are five main categories of feedback. We tend to make judgments more often than we try to understand. We actually evaluate, interpret, support, probe and understand Pearce & Robinson (2007). On the other hand, organization culture remains a factor to strategy implementation on service delivery. Culture has been defined in many ways but basically remains as a phenomenon in our heads. Politics within the organization are tactics that managers engage in to obtain and use power to influence organizational goals and change strategy and structure to further their own interest (Renaissance Solutions, 1996). When people are used to doing things in a certain way it becomes hard to change. Their culture therefore makes them resist the change.

It should be possible to implement the chosen strategy only when the required suitable resources are available. These resources include physical, financial, technological and human resources. Too little resources will tend to stifle the ability of the company to carry out the plan. Too much funding wastes company resources and impairs financial

performance (Raps and Kauffman (2005). According to Pearce & Robinson (2007) challenges can arise when attempts are made to implement strategy. They may arise from external or internal sources. They are classified; first, as poor strategy, due to number of reasons, managers may select inappropriate strategy. Implementing such a strategy therefore becomes a futile exercise. Second is poor implementation; while the strategy selected may be sound, the implementation procedure can be flawed. Third, is failure to couple strategy development and implementation. A Study done by Okumus (2003), found that the main barriers to the implementation of service delivery strategy include lack of coordination and support from other levels of management and resistance from low levels as well as lack of poor planning activities. Freedman (2003) list out a number of implementation pitfalls such as strategic inertia, lack of stakeholder commitment, strategic dilution, failure to understand progress, strategic drift, initiative fatigue, impatience and not celebrating success.

### **1.1.2 Kenya Sugar Industry**

The Kenyan sugar industry was initially established over 90 years ago as a major employer and contributor to the national economy. Sugarcane is one of the most important crops in the economy alongside tea, coffee, horticulture and maize. The largest contribution of the sugarcane industry is its silent contribution to the fabric of communities and rural economies in the sugar growing areas. Farm house holds and rural businesses depend on the injection of cash derived from the sugar industry. The survival of small towns and market places around the cane growing areas is also dependent on the incomes from the same (Pearce & Robinson, 2007).

The main players in the Sugar industry are: Millers, Kenya Sugar Research Foundation, Government Ministries, Financial institutions, Kenya Revenue Authority (KRA), Kenya Bureau of Standards (KEBS), National Environmental Management Authority (NEMA), Kenya Plant Health Inspectorate Services (KEPHIS), Importers/Exporters, consumers, suppliers, transporters and employees. Besides the socio-economic contributions, this industry provides raw materials for other industries such as bagasse for power co-generation and molasses for a wide range of industrial products including ethanol. All sugar mills have been earmarked for privatization by the year 2014. There are five mills which are already private namely Mumias, West Kenya, Kibos, Butali and Transmara sugar companies and four mills namely Nzoia, Chemelil and Sonysugar are yet to be privatized but Muhoroni and Miwani are under receivership. Recently, the European Union (EU) came in to finance the privatization process as well as sensitization forums with stakeholders about the imminent privatization of the mills. The sugar industry in its struggle to transform itself to profitability and efficiency path through sound management practices is required to develop and implement policies that would ensure that the principles of good governance are instituted and maintained. This would embrace competitiveness, transparency, accountability and sustainability of the industry (Hendry & Kiel, 2004).

### **1.1.3 Kenya Sugar Board**

Kenya Sugar Board is the apex body of the sugar industry operates under the umbrella of the Ministry of Agriculture. The mandate of Kenya Sugar Board as stipulated in Section 4(1) and 4(2) of the Sugar Act 2001 thus, to regulate, develop and promote the sugar industry, coordinate the activities of individuals and organizations within the industry, facilitate equitable



access to the benefits and resources of the industry by all interested parties Aosa (1992). The functions of the Board are to participate in the formulation and implementation of overall policies, plans and programs of work for the development of the industry, act as an intermediary between the industry and the Government, facilitate the flow of research findings to interested parties, monitor the domestic market with a view of identifying and advising the government and interested parties on any distortions in the sugar market, provide financial, economic, technical, safety and environmental advisory services to the growers and the millers to achieve efficiency, represent the industry in such organizations as are relevant for the promotion of the industry, oversee the formulation of standard provisions governing the mutual rights and obligations of growers, millers and other interested parties, collect, collate and analyze industry statistics and maintain a database for the industry and also to license sugar mills (KSB Sugar Industry Strategic Plan).

Kenya Sugar Board's strategies are concerned with how the growth of the sugar industry can be sustained by satisfying customers; how to compete with other regulatory bodies, manage each functional area, develop requisite capabilities and achieve its objectives. The proactive three levels of strategy that deal with the overall purpose and scope of the Board are corporate, business and functional or operational strategy. Kenya Sugar Board was established in order to achieve self-sufficiency in sugar with a surplus for export in a globally competitive market; generate gainful employment and creates wealth; supply raw material for sugar related industries and promote economic development in the rural economy. Competition of the sale of sugar is evident from the influx of imported sugar that comes into

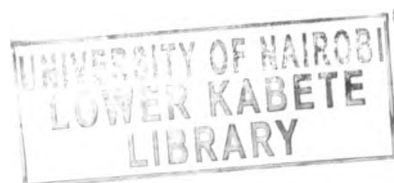
the country from overseas. Currently, global business climate is marked by extreme economic uncertainties (Ansoff, 1990).

Apart from provision of quality leadership for establishment of industry training institute, development and implementation of industrial agreements, improvement of KSB service charter, improved management of loans and grants to the industry, development and implementation of a risk management policy for the industry and carrying out annual technical audit for industry performance by multi-disciplinary team. Each of these aspects of the strategic plan on service delivered was backed up with specific implementation of strategy on service delivery clearly outlined in the board's service charter. Provision of these services in an environment of diminishing agricultural resources and limited human capital required special planning, service delivery systems and approaches (Drazin, and Howard, 1984). It is against this background that the management of KSB has developed seven departments inclusive of an Information Technology Department with a range of information technology aspects like mobile services to enhance connectivity with the Board's clients, stakeholders and employees. An intranet system was set up to improve the daily operations of the Board. The intranet covers finance and administration operations in terms of general ledger and cost accounting, store inventory management, payroll, staff ledger besides production processing aspects like planning and administration towards achievement of the Board's vision of being the facilitator and regulator of a world class sugar industry (Galbraith and Schendel, 1983).

## 1.2 Research Problem

The implementation strategies on service delivery at KSB were expected to facilitate reduction in sugar deficit in the country and eventually its attainment of self-sufficiency in sugar production. Although KSB has identified the services needed to facilitate attainment of self-sufficiency in sugar production as clearly indicated in its service charter, so far it has not provided the services as expected so as to facilitate attainment of self-sufficiency in sugar supply (Awino et al, 2008). This raises concern about the workability, effectiveness and efficiency of the Board's implementation of strategy on service delivery. Over the last decade, KSB has not managed to implement the services identified in its service charter in a manner that can drive the country to self-sufficiency in sugar production. Although year 2012 was meant to mark the peak of the strategic plan, so far most of the strategic objectives have not been achieved, hence raising concern over the implementation of strategies on service delivery. This situation points to the fact that there may be factors that may be hindering the Board's implementation strategy on service delivery. It is against this background that this study seeks to investigate the challenges that KSB faces in the implementation of strategy on service delivery, especially in relation to the sugar millers.

The role of millers is to make fair return on investment through efficient operation of the sugar mills for the production of sugar and other products for sale and making timely payments to cane growers. All millers are members of Kenya Sugar Manufacturers Association (KESMA). Their licenses of operation are given to them by Kenya Sugar Board. They are a critical node in the sugarcane industry because of the role they play in value



addition. The profitability and hence strength of the industry depends on how efficiently they operate.

Despite challenges to successful implementation strategy on service delivery, a number of studies have been carried out. (Awino et al, 2008) did a study on challenges facing the implementation of differentiation strategy at the Mumias Sugar Company. In his study, it was found that there are challenges like interdepartmental communication towards crafting of strategies; and the other need was to involve partners such as World Bank and ISO to aid in financing operations. Owelle (2011) did a study on challenges of strategy implementation at Chemelil Sugar Company. The study generally focused on the whole concept of strategy implementation but not a specific area compared to this research. Wefwafwa (2009) did a survey on product diversification in Nzoia Sugar Company. Murgor (2008) studied on strategic responses of sugar companies in Kenya in the face of changing environmental conditions. None of the mentioned studies has focused on factors affecting strategy implementation on service delivery to millers.

It is against this background that the proposed study sought to bridge this gap and answer the following research question: What are the challenges that KSB faces in implementing strategy on service delivery to sugar millers?

### **1.3 Research Objectives**

The objectives of this study are: -

- i) To identify the challenges of implementation of strategy on service delivery by Kenya Sugar Board to Sugar Millers
- ii) To find out the possible solutions to these Challenges

#### **1.4 Value of the Study**

Findings of this study will help KSB to enhance service delivery to all stakeholders through identification of weak areas for improvement. They will be used to review the current strategic plan of KSB as regards financial and service charter programmes. The findings will also help the current managers of KSB to account for loopholes in their service delivery systems and networks and may contribute to improvement of service delivery in the Kenyan sugar industry.

The study will help the government to assess whether or not the current sugar board has the capacity to drive the country to self-sufficiency in sugar production. Managers of sugar firms in Kenya and beyond will be equipped with a sound foundation for future strategic planning.

The findings will help the Ministries of Agriculture and sugar companies in Kenya and beyond in terms of policy review, regulation and formulation.

The findings will form a basis for further research for the academics. The findings that may be published in re-known journals reduce the existing knowledge gap and increase existing literature in libraries across the world.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter covers the current literature that is related to the study topic and objectives, it specifically covers literature review on strategy related to service delivery whereby the concept of service delivery, and objectives of the empirical evidence on service delivery are discussed. The chapter also covers strategy implementation and challenges associated with it.

#### 2.2 Concept of service delivery

Service delivery is one of the important components of the strategic planning process. It is a system that provides something that the public needs, organized by the government or a private company for example telephone service and public service according to the Oxford Advanced Learner's dictionary, new edition. A service in this case can be delivered to the customer when required. The service given should be one that optimizes the resources available in order to achieve organizational goals and objectives. Service delivery is about delivering services as effectively as possible to the satisfaction and delight of the customer. It is about maintaining the expectations of the customer relating to the service up till the service has been delivered and also making the customer delighted by the satisfaction. It is simply delivering the services effectively and efficiently to the customer (Meldrum & Atkinson (1998).

Service delivery is all about people first, process and procedure second. People will deliver the work required on time and quality. They will engage with the customer and make them feel appreciated. People make the organizations perform its mandate or make it fail.

Processes and procedures simply enable organizations' services to be delivered according to a particular standard and with consistency provided the people are up to the task at hand. The customer is the one who will give you reference next time that you are looking for one. Without a satisfied customer, this time and every time, one delivers no service. There are processes, methods, procedures, rules, forms and administrative practices that are established. This policy is followed to the latter for the organization to achieve its objectives (Kiptugen, 2003).

### **2.2.1 Strategies related to service delivery**

The quality of service is real or perceived based on the tastes and preferences of whoever is receiving the service. It is concerned with the ability of an organization to meet or exceed customer expectations. The measure of performance is perceived service quality which tends to pose greater problems in understanding both external and internal customers' needs and expectations which form the basis for evaluation (Olson et al 2005). There are two important dimensions of service quality: 'instrumental quality' describes the physical aspects of the service, while the 'expressive' dimension relates to the intangible or psychological aspects.

The techniques that can be used to help improve quality of service delivered are by benchmarking and blueprint analysis. It involves looking for the best ways to achieve competitive advantage Renaissance Solutions (1996). The company's services and practices are continually compared with the standards of the best competitors and identified industry leaders in other sectors. The other technique is service blue printing/process analysis, a concept which breaks down the basic systems and structures of an organization in order to

develop a greater understanding of the service process (Tavakoli et al (2001) argue that blueprints can be used to identify potential fail points at which failures are most likely to occur and that blue prints also help managers understand how failures at one point may have a ripple effect later in the process.

Researchers argue that the nature of services require a distinctive approach to defining and measuring service quality. The intangible, multi-faced nature of many services makes it harder to evaluate the quality of a service compared to a good (Hambrick, & Cannella, 2003). From focus group research; Sterling, (2003) identified criteria used by consumers in evaluating quality of service delivered. Other subsequent researches found a high degree of correlation between several of these factors and so consolidated them into five broad dimensions namely: tangibles (appearance of physical elements); reliability (dependable, accurate, courtesy, credibility and security); empathy (easy access, good communication and customer understanding) (Raps and Kauffman, 2005).

The other strategy is measurement of quality of service which is needed to determine whether goals for improvement are being met after changes have been implemented. Customer defined standards and measures of service quality can be grouped into two broad categories, soft and hard. Soft measures cannot easily be observed and must be collected by talking to customers, employees or others and provide direction, guidance and feedback to employees on ways to achieve satisfaction and can be quantified by measuring consumer perceptions and beliefs (Hendry & Kiel, 2004).



In the current competitive knowledge based economy of the 21<sup>st</sup> century and ever changing operational environment, many agricultural organizations across the globe are continuously reengineering or modifying their implementation strategies on service delivery towards achievement of the Millennium Development Goal that targets attainment of food security for all by 2015. An organization's human resource base or human capital is the foundation of effective service delivery especially if it is well remunerated and motivated. This indicates that every organization needs to establish a sound human resource base if it has to achieve its mission and vision (Hambrick & Cannella, 2003).

In 1998, Meldrum & Atkinson established that apart from financial and material resources, modern organizations run on information because information is a critical resource in their operation and management. Timely availability of relevant information is vital for effective performance of an organization's managerial functions such as planning, organizing, directing and control. Thompson & Strickland, (1997) established that managers of agricultural organizations require management information when making decisions such as number of extension personnel to employ, employees training requirements, career development plans, job descriptions, budgets, forecasts, bench mark surveys, reports on socioeconomic conditions of people served and existing facilities. According to Olson, et al (2005), the world has changed and will continue changing even faster due to the forces of globalization. It was once noted that this is a critical challenge to the managers of agricultural organizations as regards implementation of strategies on service delivery because they are always under pressure to change in response to emerging work environment in the new world with new demands and emerging challenges.

According to Wefwafwa (2009), he noted that one of the critical challenges in the developing countries especially those in the African continent is the fact that the increase in human population in an environment of diminishing agricultural resources. This accounts for failure of these countries to balance between demand and supply of essential food products like sugar. Currently, the African continent is experiencing the highest sugar deficit in the world that has so far reached 6.2 million metric tons as indicated by the current production level of 6.6 million tons against a demand of 16.1 million tons (Kenya Sugar Board). In Kenya, the gap between sugar supply which ranges between 550,000 and 600,000 tons annually against an increasing demand that has so far reached 750,000 tons per year is expanding at an alarming velocity. In fact, according to KSB Strategic Plan (2004), it is predicted that this gap will enlarge further because sugar demand is increasing at 2% and population at 3% as the local sugar companies and jaggeries continue producing under targeted capacity due to inefficiency in implementation strategies on service delivery that make attainment of self-sufficiency in sugar an elusive venture for the Kenyan government.

### **2.3 Implementation of Strategy**

Planning of strategies is a process by which an enterprise develops a vision of the future and draws up goals, strategies and action plans for realizing the vision. This kind of strategy can be done on service delivery; thus, to deliver services that the organization is envisaged to offer. According to Bourgeois & Brodwin, (1984) the implementation of strategy is defined as a set of decisions and actions that result in the formulation and implementation of long term plans designed to achieve organization objectives. Its purpose is to complete the

transition from strategic planning to strategic management by incorporating adopted strategies throughout the relevant systems.

The overall guidance with implementation of strategy remains the responsibility of the top leadership; its actual implementation is mainstreamed to the day to day operations and therefore assigned to the managers. An oversight committee responsible for monitoring and evaluating the implementation progress is charged with the duties of delivering this goal to the customers. Organizations are in the business of having a strategic plan developed with strategic guidelines on establishment of a strong financial and human capital through different mechanisms (Ansoff, 1990). Most of the key targets include attraction, development and retention of skilled, competitively remunerated and highly motivated human resources, facilitation and development of a coherent working culture, reviewing and streamlining of the board functions and organization structure in line with the strategic plan (Bryson, 1995).

#### **2.4 Challenges of strategy implementation**

For effective strategy to be implemented on service delivery, the strategy must be supported by decisions regarding the appropriate organization structure, organization culture, resources and leadership. Successful strategy implementation therefore must consider issues central to its implementation which include, matching service delivery to strategy, creating supportive organizational culture among others. The first element of goal setting is establishing goals that are perceived as challenging but realistic and to which there is high level of commitment. It involves having employees participate in the goal setting process so as to increase

motivation and performance (Freedman, 2003). This convinces employees that the targets are achievable and can increase their commitment to achieving them.

Without a well developed corporation culture, an organization is little more than a managed group of mercenaries. Without culture, a business is likely to blend into the background and fail to stand out to potential customers, collaborative business partners and potential leaders/employees. There has to be shared understanding and shared sense making. Mullins (2008) says that culture impacts on most aspects of organizational life, such as how decisions are made, who makes them, how rewards are distributed, who is promoted, how people are treated and how organizations respond to environmental changes.

Leadership ensures that values and culture within an organization are appropriate for satisfying key success factors. Successful organizations like Hewlett-Packard, Johnson and Johnson and IBM are some of the famous organizations that have strong corporate values. The managers create a climate for the organizations and their values influence the direction of the firm. They must be in the right position for effective implementation of new strategy.

Lack of sufficient communication is generally an issue when organizations don't embrace the best way of communicating to their internal and external customers. Some firms have communication policies in place and have specified how decisions can be made by whom and to what direction information should flow. The upward – downward flow of information is very common form of communication. The downward – upward flow of information is never taken seriously in the current set up of organization structures (Boyatzis, 1984).

Many organizations do not have a mechanism of giving feedback to their stakeholders. Decisions are made but the follow up is not done and therefore feedback not received makes the implementation of strategy in most cases an uphill task to tackle. It is important to have feedback in every plan that a firm has strategized for improvement of performance. Every business that gives feedback to its customers gives an additional good perception to its image Kiptugen (2003).

It is a mistake for managers to select an inappropriate strategy. Some strategies may not be in line with the objectives of the organization. This occurs when the top managers choose a strategy which they have their own personal interest at the expense of the organization. This is a challenge in firms where powerful managers take control of the operations at top levels without considering the disaster it is bringing to the organization (Mintzberg, 1993).

Poor implementation of a service delivery strategy may cause havoc to the process itself. This is so because when the plan is put in place, there are steps that are normally followed to the latter. In that when one of them is omitted, then the strategy does not work well. This automatically means that the implementation procedure is flawed.

Lack of stakeholder commitment to the implementation procedure becomes a challenge due to the fact that participation of all who are involved in the process is very important. The people who need to implement the strategy need to have the process at heart. They should own it and make it part of their work. Without this commitment, it's difficult to work with

people who have no interest in the change. This is the reason why all those who are chosen to spear head such plans are top managers Pearce, & Robinson, (2007).

When the team that is charged with the planning strategy fails to understand the progress of implementation, or the stakeholders for that matter does not know what is going on, it takes a long time to start the process again. This may require going back and sensitizing stakeholders on the progress of implementation. It implies that more funds and time are required, to add on what had previously been used.

Since planning of strategies is a continuous process, it is likely that the implementing team can lack the initiative fatigue to keep monitoring especially when there are challenges being experienced in implementation. This may lead to people getting impatient and even giving up in the whole process Reed & Buckley, (1988).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

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

#### **3.2 Research Design**

In this research, a case study design was adopted. This design is considered appropriate because the approach facilitates collection of primary data from pre-determined population. This is applicable in this case because the design gives an in depth understanding of the factors affecting the implementation of strategy on service delivery prior to the study (Mugenda & Mugenda 2003).

A case study provides detailed insight to the phenomenon that will be clear for analysis purposes.

#### **3.3 Data Collection Methods**

The respondents in this study were seven departmental heads of KSB who are directly involved with strategy implementation on service delivery as well as 8 representatives (1 each from the 8 sugar factories), directly in charge of operations related to service delivery. The study used an interview guide (see appendix 1) to obtain the required information to respond to the objectives of the study.

### **3.4 Data Analysis**

All the responses were organized and then analyzed using content analysis. Content analysis is not restricted to the domain of textual analysis, is used to measure the effectiveness aligned with the overall objectives or reason for existence. The analysis provides an empirical basis for monitoring shifts in public opinion and as Weber (1990) notes that different people should code the same text in the same way in order to make valid inferences for consistency. The content analysis is a systematic, replicable technique for compressing many words of text into fewer content categories and is useful in dealing with large volumes of data. It enables the outline of a detailed analysis of a single unit in which case factors affecting implementation strategy for service delivery by Kenya Sugar Board to the millers.

Content analysis often begins during the early stages of data collection (Mugenda & Mugenda, 2003). This early involvement in the analysis phase helped the researcher to move back and forth between concept development and data collection, and enhanced direct subsequent data collection.



## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSIONS

#### 4.1 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The purpose of the research was to find out the challenges of implementation of strategy on service delivery by Kenya Sugar Board to Sugar Millers and to find out the possible solutions to these challenges. The results presented are based on the research questions. The data was gathered using an interview guide as the research instrument. Secondary data was also available for the analysis of this study. The data is presented in qualitative research form followed by discussions of the data results. The chapter concludes with critical analysis of the findings.

#### 4.2 Mission and Vision of the Board

It was established from the study that all respondents agreed that the organization had formal documented mission and vision statements which were formulated by the board and management and are readily available in all of the publications from the Board's website. The vision of the Board is to act as the best regulator and facilitator of a world class multi-product sugar cane industry while the Board's mission statement is to facilitate a multi-product sugar cane industry that is efficient, diversified and globally competitive. This implies that the vision and mission of the board are in the business of providing services to their stakeholders and should lead the industry to a competitive edge. The Board intends to

take the industry to diversification and later to a more competitive sugar industry that can be profitable to the country.

#### **4.3 Services offered by KSB to Millers**

The study sought to determine the types of services that are provided to sugar millers by KSB. Respondents indicated that the Board provides a myriad of services to the millers which include regulation, development and promotion of the Sugar Industry. They regulate by giving the rules and regulations of how to run the sugar factories in consultation with the government. These rules are stipulated in the Sugar Act, 2001. All millers get licenses for their business by paying Kenya Sugar Board a License fee of Kshs. One Hundred Thousands only and after registration, the millers renew the license on an annual basis. The Board undertakes to develop the milling firms through the Sugar Development Fund. This is a fund which helps millers to improve infrastructure and rehabilitation of the mills.

The Sugar Development fund is under the custody of the Board. For millers to gain access to this fund, they have to show why the loan is required. There are application forms given by the Board to the miller where they indicate what the loan will do and how long the miller will take to repay the loan. The forms are scrutinized for eligibility and when they meet the necessary requirements, the loan is granted. After the loan has been given, the work goes on as the Board arranges for the monitoring and evaluation team to assess the work in progress. If the loan is put in good use, millers are required to repay promptly so that the fund can help other stakeholders because it is a revolving fund for the sugar industry. The challenge for

KSB here is that millers apply for these loans but the repayment agreement is most of the time not honored.

Another service is the co-ordination of activities of individuals and millers. For many years now, the Board has co-ordinated various activities such as facilitating relevant training advisory services for employees and millers. Despite the trainings done by the Board, there are some areas that millers have not put in practice. Many of the people who are sponsored especially the international ones are never given the chance to practice what they have learnt abroad. A lot of funds are used to sponsor them to go for such trainings but it all goes to waste since they do not practice what they learn. The Board co-ordinates activities like conferences where discussions on various issues affecting millers are laid down. They also discuss supplies of equipment and discussions about employees' remunerations among others.

All technical managers sit and discuss issues that involve with improvement of the cane crushing machinery. Millers are always concerned with how they can fund their activities in each of their factories. Most factories have to deal with breakdowns of machines due to poor management. The challenge here is that at the purchasing point, the technical managers are not involved during the process of buying the required equipment or spare parts. The other problem is that the equipments are bought but installation and servicing needs qualified persons. Also the spare parts may be bought but it turns out to be of poor quality; meaning, the production of mills is disrupted when machines are down. This implies that the people in charge fail to do according to the laid down rules that guide procurement of equipment. The

firm then loses money due to the laxity of such procurement officers. KSB finds it difficult to curb this kind of practice.

The Board facilitates equitable access to the benefits and resources of the millers. Millers in the sugar industry are supposed to have a right to access what is required of them in order to give their best to their customers. Sugar millers operate at different levels of production because farms contracted by each miller vary in size. Millers who do not have a nucleus estate and their own contracted farmers prefer buying their cane from private farmers. This shows that the Board has licensed them to do business in the industry, yet they have no cane available for their mills to crush, but they are allowed to buy from private farmers. With the help of the Sugar Development Fund, millers are empowered to crush to their maximum capacity. This is not the case. The challenge is that when the monies are given to millers, accountability of the money is questionable. KSB being the administrator of the fund gives it to millers only when they apply for it so long as the requirements are met. Millers have equitable access to this revolving fund and yet they never repay the loans on time. The implication here is that other millers cannot benefit unless such monies are refunded to the Board; for the Board to put it to other uses of the fund.

The other service is formulation and implementation of overall policies and plans for the development of the industry. For the sugar industry to operate efficiently, the Board gives the overall policies for operation of the mills to be streamlined. For example, each mill is supposed to be established at least 40 kms away from the other mill. The Board gave this policy so that each factory is a distant away and to avoid cane poaching where some millers

steal sugar cane from contracted farmers of another miller. For example if Transmara Sugar Company poaches cane contracted by Sony sugar, then it means that Sony sugar will not meet the target of their production at that particular time but Transmara will harvest where they have not planted. These disputes between the two millers lead to disruption of services that these millers give to their customers and on the other hand, KSB's policies that millers are required to follow are flawed hence, making KSB look like they are not in control of the industry. It therefore diminishes the services provided to millers because other millers can decide to get into the same practice and the impact on KSB's service delivery to millers can go out of control.

KSB acts as an intermediary between the Government and millers. The Board which is the apex body of the sugar industry, in its mandate, acts as the middle person between the miller and the government by ensuring that all millers are following the right procedure and process of production of sugar. The management of the Board has technical staff who give guidance to the Board of Directors for them to give consent on any activity a factory wishes to undertake. For example if a miller wants to retrench their staff, he must consult KSB. Before the decision is made, management must write a Board paper to the Board of Directors for approval. After the approval is done, management of KSB seeks authority through the Ministry of Agriculture. In case such a decision is made without the consent of KSB, interested parties such as the Kenya Sugar Cane Planters Union and Kenya Sugar Cane Growers' Association and the Ministry of Labour cannot approve of it. It is therefore important that KSB is involved in these administrative matters for the smooth running of all millers. If this is not followed, most unionisable staff tends to settle cases through courts or

strikes. This then affects the operations of mills, and for KSB, it becomes hard to effect any strategy to a miller whose employees are on strike.

The Government on the other hand has a vision to improve the economy by making sure most of the people in the country have something to bring them income. In the event that the Board does not give consent to a decision of a mill to downsize its manpower, the decision is not acceptable. If accepted, then the aftermath is an industrial unrest, which makes work to suffer and hence KSB will not effectively serve the millers when they are in such a situation.

Facilitation of the flow of research findings to interested parties is an important role that the KSB plays in the sugar industry. The Board initiated the formation of the Kenya Sugar Research Foundation where all researches on cane varieties are done. Millers grow cane through their Agricultural and Agronomy departments. They are advised to try out suitable cane varieties on their soil by KESREF who have imported cane varieties from different countries and are put under experiment to find out whether they are suitable on Kenyan soils.

The research findings are then put in consideration and can only be implemented after KSB has tested and established that such varieties are good for growth. These experiments may take some time but the viability is what matters to the miller. This is because all what millers want is to get enough cane to crush in the mills. KSB finds this a challenge when KESREF does not involve it in the research to discover the best cane varieties that need to be grown on different soils. When this happens and the cane is not suitable, the outcome impacts negatively to KSB.

KSB also represents the industry in other organizations that are relevant to the promotion of the industry and the promotion of efficiency and development of the industry through the establishment of appropriate institutional linkages. It is usually very difficult to convince millers to be party to a uniform sugar and cane pricing decisions. This is evident in the market where sugar is sold because different brands cost different prices. KSB still struggles to bring a uniform price of sugar across the board.

KSB also monitors the domestic market to identify and advice on any distortions in the sugar market. The millers' interest is to sell sugar, the end product. They sell sugar at a price set by them in order to make profit out of it. KSB then decides that the consumer should be able to buy sugar at a particular price despite the different brands of sugar on the local market. This is always a bone of contention because of the difference in various inputs such as transportation of sugar cane and the sugar itself to the point of sale.

There are many disputes that come about between one miller and another. The cases include poaching of cane, location of mills, and payment to farmers among others. KSB acts as an arbitrator of disputes among interested parties like millers and farmers as well as staff. In case a miller has a dispute with another miller, KSB has the authority to stop the other miller from interfering with the complainant. When the disputes persist, the case is handed over to the Sugar Arbitration Tribunal where the KSB legal assistance is also given. The challenge faced when carrying out this is that KSB gets a lot of political interference when dealing with legal problems between two or many millers. KSB will be seen to be reluctant in dealing

with these cases because some “powerful” politicians become a threat to the services provided by KSB to millers when it comes to dealing with disputes.

The Board promotes and encourages the use of environment friendly technologies in the industry. Millers are required to adhere to the environmental technologies that are friendly. Each factory treats their wastes in order to avoid pollution of the air around the mill. This is because it poses a health hazard to the community. It is because of this that the mills are inspected annually by a technical person from KSB and a report written to the National Environmental Management Authority. If the regulations of NEMA are not adhered to by the millers, the Board provides advises to the millers accordingly. Some millers have taken too long to follow the advice for example the storage of baggase and the disposal of effluent. KSB in its struggle to introduce friendly environmental technologies to curb pollution, have met a lot of opposition, thus affecting its service delivery.

Kenya Sugar Board gives technical advisory services, economic and financial assistance to millers as this is expected from it being a regulatory body to the sugar industry. The Board has specialists who provide various advices to millers. Millers have a lot of technical issues they handle in their day to day line of business. Employees in the mills include factory managers who are in charge of operations of the mill and electrical engineers as well as mechanical engineers. These technical professionals are supposed to work hand in hand with the Sugar Technology and Engineering department at the Board. The Board has been on the frontline in helping millers improve financially and make their business viable in the market. Despite the advisory services, when audits are done by the monitoring and evaluation team



from KSB, so many anomalies are discovered implying that the management of those funds cannot be trusted.

#### **4.4 Analysis of Business performance of Millers**

The study determined that the Board uses two main business analysis techniques to ascertain the situation and performance of millers. The first technique cited by respondents was a technique that is used to prompt thinking about what the business is trying to achieve. This is where the Strength, Weaknesses, Opportunities and Threats are used to analyze business. Although the SWOT analysis is a good idea and technique to use for measuring a business situation, not all findings put in the action plan are implemented by the Board.

The other business analysis technique is the one used to perform an internal environmental analysis by defining the attributes that ensure the project, is aligned to the Mission, Vision, Strategies (options for moving forward) and the Tactics that will lead to achieving the set down goals. The main aim of the miller is to check whether the said method of analysis benefits consumers. The consumers' preference is to get the best services delivered to them; in this case, sugar must always be placed on the market for their consumption. The techniques are to make sure that the strategy of getting sugar on the market and reaching the consumer is streamlined and that sugar is available when it's required and more so for the miller to attain profits. KSB finds difficult in keeping track of all millers to check whether they link their business to the mission and vision; implying that there is room for the millers to go out of the set work standards.

#### **4.5 Challenges that KSB experiences during implementation of strategy**

KSB has for many years faced challenges while setting up the strategic plan and implementation. It invites all sugar millers to be party to the implementation process so that all are in the picture of how the industry is set to move forward in business. Once the plan is set up, the implementation part is left to the millers to make sure that the action plan takes effect.

During implementation of strategy, KSB encounters difficulties with first and foremost finances. Millers do not have enough capital to run the mills. The investment in the plant is so huge that when the machinery breaks down, an enormous amount of money is required to put it back to work. KSB cannot allocate huge sums of money for this kind of maintenance to the government owned factories at the same time. The funds available are distributed depending on the urgency and importance of the project that is required to be carried out. The mills are of age now and need to be overhauled. When the machines are up and running, millers sell sugar to consumers on time enabling the government to earn revenue from the proceeds.

Human capital is a hindrance the Board is facing as the personnel who are involved during the implementation process do not have enough skills and expertise that are necessary for the full implementation of strategy on service delivery. The Board has to invest a lot in building capacity for it to be able to able to gain a competitive edge.

In the implementation process, all stakeholders should be able to participate. If the players are reluctant, then the process will not be complete. Most players are reluctant to play a big role in the implementation of these strategies. The main reason for this is lack of motivation from KSB. Millers would like to be given some incentives for them to be able to participate in the implementation of strategy on service delivery.

The other challenge that KSB faces is the organizational culture. The way the organization makes its decisions is a culture in the sense that when management decides to change the chain of command, some employees never accept this change. For example when management does not share information as to how they choose a certain criteria to promote employees and leave out others, it means that there is no openness. This paves way for discrimination and as a result employees lack motivation. For example if management decides to introduce strict measures of cost cutting in the organization, there are those members of staff who do not welcome the idea. This is a challenge because the change cannot take effect if most if not all members do not support the change.

Communication plays a big role in the day today business of the millers. It was discovered that it is a challenge when KSB and the millers choose not to give some information that is mandatory to the regulator. For example, all millers are required to send figures of their sugar in stock on a daily basis. This enables KSB to compile all figures from the sugar millers so that KSB can know how much sugar is available on the market for domestic consumption. If the sugar is not enough to cater for the country, then KSB makes a decision

to import the deficit. If this information is not given, its difficult for KSB to predict how much sugar is available and how much can be brought into the country.

Communication is an important tool which millers can embrace in order to encourage efficiency. There are different ways of communicating that can be used; for example telephone, email, radio, newspaper, television and exhibition. The main media of communication management of KSB use to inform staff about service delivery strategies include internal memos, formal meetings which are usually held occasionally, as well as intranet. It uses the same means of communication to Millers when inviting them to be party to a strategy on a service they intent to put across to them. The challenge here is that if the communication media fails and the message is distorted, then the implication is that the purpose that the message was meant to serve suffers.

Research is another challenge that millers require to be involved in. It is through research that cane varieties are discovered for every soil. If the research is not done, the cane planted cannot produce good yields. KSB, in consultation with Kenya Sugar Research Foundation facilitate the research using funds from the SDF but millers are never keen on the new cane varieties that are brought on the market by KESREF. This means that the results to which the fund was meant to do cannot be seen to have done a good job. KSB becomes accountable for the negative results; meaning there is failure on the part of a service delivered.

Millers' complaints range from delays in receiving messages through letters mainly due to slow means of dispatch; delayed decision making caused by the bureaucracy in the chain of command and lack of feedback caused by laxity from the relevant sources. Decisions can be made but the follow up is a big problem. When there is no feedback received, customers do not get the satisfaction in the service delivered. It therefore makes implementation of a strategy very hard. KSB finds itself in such a dilemma.

Strategies that are not in line with the objective of the firm cannot give an impact to the improvement of service deliver within the organization. The stakeholder with an interest and commitment to the strategy implementation brings success to the process. The process should not be left for uninterested parties. KSB has this challenge; but on the other hand millers put all the blame on the regulatory body because they claim that KSB is biased when it comes to making hard decision for some millers who are breaking laws.

The implementation of strategies team comprises all the heads of departments in KSB and other supervisory staff. When the planning and implementing of a strategy takes a longer time than expected in the action plan due to lack of funds, the people involved shift their concentration to other areas. These people form an attitude of disinterest and the strategy can end up not being implemented. The delay then means that the service that was set to take place cannot be rendered to millers.

#### **4.6 Possible Solutions to the challenges**

Millers need to follow the agreement they sign between KSB and themselves to pay loans borrowed from the SDF promptly. KSB is in a position to programme all the applications for

loans and divide the funds to fit all the needs required by millers. Non-payment of Loans and lack of proper accountability of funds should not be encouraged. Managers who are accountable for mismanagement of funds should face the full force of the law.

On the challenge of having unskilled employees, millers should have the information that there are many qualified people who are not employed to fill different positions in the mills. Proper recruitment of employees must be done to enrich the millers' human capital and at the same time, trainings for different cadres of technical professionals who are sponsored be given a chance to put in practice the new ideas they learn from international courses and conferences abroad.

The other solution is on the procurement of spare parts. Procurement of items can be very costly if the people handling it are not closely monitored. For the millers to avoid factory breakdowns, purchasing of good quality spare parts using the right procurement procedure is of essence.

Millers complain about their contracted sugar cane being stolen or poached. All mills should be located at least 40 kms away from each other but the current status is that some mills are as close as 20 kms from the other. Any miller found stealing sugar cane from another should be made to pay twice as much as the equivalent of what he/she stole. This punitive measure need to be implemented without fail.

Research is a very important exercise for any organization to predict the future of their business and the millers are not exceptional. Under research, KSB must insist on being involved in researching of the best and the right cane varieties suitable for planting on the Kenyan soil. If KSB is not involved, then the varieties should not be planted at all. This then will make KESREF to work hand in hand with KSB for the betterment of the crop through research and benchmarking with other research institutions.

Since all millers are in business, marketing of sugar can be centralized so that all millers can participate in the cane pricing committee to enable them set a uniform price for both cane and sugar. A central sugar marketing point is the only way consumers' interests cannot be compromised.

The Sugar Arbitration Tribunal is given full mandate to solve legal cases between millers. Any political interference from political leaders who normally have interest in sugar matters should not be entertained. Any complaint by a miller should be taken seriously by solving the problem amicably and any feedback required must be given as early as it is required.

Millers should keep the environment clean as required by NEMA environmental rules. If this is not done, the miller's license should be cancelled until proper measures are corrected. This will help KSB and NEMA to strengthen the rule by monitoring millers who pollute the environment.

KSB is the administrator of the SDF; the Board should be allowed to get finances for implementation of strategy on service delivery to the millers from this fund. Some of the services that cannot be delivered according to the action plan can be spearheaded by getting funds from the SDF. Both parties thus, KSB and millers will benefit from the same.

As it was seen from the challenges mentioned previously, organizational culture at the KSB can easily be changed by sensitizing staff on changes before hand. This can be achieved through workshops. Proper guidelines on promotions should be documented in a Human Resource Operational Manual and all decisions concerning staff must be adhered to by all the millers.

An organization which lacks effective communication is bound to destabilize its business because business is a matter of working smart and remaining in business for competition purposes. Using proper means of communication is the only way to improve using the new Information Technologies of email or making calls using mobile phones. On the current market, some organizations use the new techniques through computer and mobile conversations. Within the offices, management of KSB and millers can also have an intranet for better and faster communication other than writing letters to post and using facsimile machines which are now being phased out of the business market.



## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter presents discussions of the key findings and gives conclusions on the findings and recommendations there-to.

#### 5.2 Summary of the findings

The Board provides a myriad of services to the millers which include regulation. The Board develops and promotes the Sugar industry by funding specific projects done by the millers thus, factory rehabilitation, research and infrastructure. It coordinates activities of millers and other organizations within the sugar industry.

It serves as the facilitator of equitable access to benefits and resources of the industry by millers. Formulation and implementation of overall policies and plans for the development of the millers is done by KSB. This is evident from the Sugar Act 2001; it is an intermediary between the Government and millers. The other service the Board facilitates is to give information on the sugar research findings to millers. The Board gives millers the right type of sugar cane varieties required to be planted in their soil. This is done in consultation with the Kenya Sugar Research Foundation. In addition, the Board has the mandate of monitoring the domestic market to identify and advice on any distortions in the sugar market. KSB acts as the arbitrator of disputes among millers. Millers have various disputes which they

encounter and KSB with the help of the newly established Sugar Arbitration Tribunal tackle the cases until a solution to the case is reached.

From the study, the main challenge during the implementation of strategy on service delivery to millers is finances because coping with bulky applications from all millers at ago is not manageable. The other hindrance is human capital which showed that both millers and KSB are faced with this challenge. Personnel who are involved in the implementation process do not have enough skills and expertise that is necessary for full implantation on the service delivery. In line with the above, communication channels are ineffective to convey messages to millers on time. On the other hand, apart from the financial assistance, the technical and economic advisory services that the Board allegedly offers are not adequate.

### **5.3 Conclusion**

KSB as the regulatory body of the sugar industry has a big role to play as its services to millers are quite important because the Kenyan sugarcane industry is a major employer and contributor to the growth of the country's national economy. Sugar is consumed by almost everybody in the country. It is therefore a vital commodity to produce as it serves people from all corners of the country. Since resource mobilization and utilization of the Sugar Development Fund is the main financier of improvement of factory components the, rehabilitation, research, administration and infrastructure, the industry is bound to grow even higher in terms of marketing its products. Millers have a lot of potential only if they can stick to the rules and regulations set by KSB. This is the only way KSB can operate and

implement strategies without squabbles from millers. Millers therefore require a lot of discipline in handling funds to avoid cases of mismanagement.

#### **5.4 Recommendations**

KSB should incorporate other business analysis techniques in its service delivery strategy to millers. More financial and human resources should be allocated for proper results in implementation of strategy on service delivery. This can be done through personnel trainings workshops and conferences to sensitize all in various activities that can lead to the improvement of performance and promotion of mills. All personnel should be given a chance to attend these trainings so as to enhance their skills for better service provision to the sector. The main subject for the trainings the Board should emphasize on is the initiative of educating all personnel on the importance of participation in the service delivery projects.

#### **5.5 Suggestions for further study**

This study aimed at establishing the various challenges the Kenya Sugar Board was faced with in the implementing strategy on service delivery to sugar cane millers in Kenya. A similar study should be carried out and establish if solutions to the challenges outlined in this project can be established. The case study used an interview guide on which the findings were subjective to the opinions of each and every respondent. The sample size used in this study was top level managers from millers and eight heads of departments at KSB. Future studies dealing on the same should use a larger sample size to increase the reliability of the data collected. The other researches should concentrate on other stakeholders as the industry

has many stakeholders such as farmers, employees, consumers, suppliers, banking institutions and Kenya Sugar Research Foundation.

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## **APPENDICES**

### **APPENDIX I: INTERVIEW GUIDE**

#### **A KSB MANAGEMENT STAFF**

1. What is your department?
2. What is your current position in KSB?
3. What type of services does KSB offers to millers?
4. What business analysis techniques has KSB been using to analyze its service delivery strategy to millers?
5. What media of communication does management of KSB use to inform staff about service delivery strategies?
6. Explain why you think implementation of strategy on service delivery is important to the organization.
7. Where are the funds for implementation strategy on service delivery drawn from?
8. What challenges does KSB experience during strategy implementation on service delivery to millers?
9. Are there any solutions to the challenges?
10. How much do the challenges above affect the implementation of strategy on service delivery in the organization?

## **B MILLERS**

11. What type of services do millers get from KSB?
12. Does KSB provide any financial, economical and technical advisory services to Millers? Name them.
13. Does KSB act as an intermediary between the millers and the Government?
14. If yes, does KSB meet your expectations with the Government?
15. What challenges do you experience during strategy implementation on service delivery by KSB?
16. What suggestions would you give as solutions to the challenges you encounter with respect to service delivery by KSB?