STRATEGY IMPLEMENTATION AT KENYA NATIONAL HIGHWAYS AUTHORITY (KENHA)

BY

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DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

Signature .... Date ...9ᵀʰ Nov. 2012

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D61/75169/2009

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

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DEDICATION

To my loving daughter, parents and siblings. Thanks for your patience, understanding and support for the entire period I was undertaking this course.

ACKNOWLEDGEMENTS

My sincere gratitude goes to God Almighty for strength and guidance on every stage of doing this project.

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Finally I extend my gratitude to Kenya National Highways Authority for allowing me the opportunity to undertake this course.

ABSTRACT

Strategy formulation refers to the process of choosing the most appropriate course of action for the realization of organizational goals and objectives and thereby achieving the organizational vision. It is known that strategy is generally a medium for realization of organizational objectives. Objectives stress the state of being there whereas Strategy stresses upon the process of reaching there. Strategy includes both the fixation of objectives as well the medium to be used to realize those objectives. Thus, strategy is a wider term which believes in the manner of deployment of resources so as to achieve the objectives. Strategy implementation is the process of putting strategies into action-based road map that will help an organization achieve its organizational objectives. A successful implementation depends largely on successful planning and formulation processes. It is always more difficult to implement strategies than to formulate them. The strategic management process does not end when the firm decides what strategy or strategies to pursue. For successful strategy implementation, an organization should understand the impact on strategy of external environment, internal resources and competences, and the expectations and influence of stakeholders. The objective of the study was to determine the strategy implementation in the Kenya National Highways Authority. The research design was a case study of the Authority. The data collection tool was an interview guide where content analysis was used to analyze the qualitative primary data collected by conducting interviews from the respondents. The findings from the study indicate that the Authority adopted strategic practices such as continuous monitoring and evaluation that generates quarterly and annual progress reports, capturing various aspects of the strategy in the performance contract and annual work plans, dividing the strategy into short term and medium term strategies, use of consultancy and involvement of all stakeholders. The factors which influenced strategy implementation were organizational structure, culture, insufficient resources, and poor communication, leadership challenges and reward mechanism in place. The recommendations for policy and practice are that the management of the Authority should incorporate all the employees in strategy formulation and implementation, in addition the structure and the culture practiced in the Authority should be optimised to support implementation of the strategy. The Authority through the ministry of Roads should liaise with the Treasury for allocation of more funds and lobby for financial support from development partners and also pursue ways of generating fund. It is also important for employees who implement strategies to be adequately rewarded and communication enhanced at every stage of strategy implementation.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The roots of strategy in business can be traced to early 1950s after the Second World War. Due to the destruction caused by the war in Europe and Japan the US came up with a Marshall plan to reconstruct the areas. The US companies took advantage and exploited the opportunities available. Planning at the time was incremental or extrapolative as there was no need for critical analysis. Various Scholars tried to put forward theories based on this premise. Drucker (1999) looked at strategy as a way to move a company's business from its current position to its desired future position and its management involves analytical thinking and commitment of resources to action.

Scholes and Whittinghton (2008) defined strategy as the direction and scope of the organization over the long-term, which achieves advantages for the organization through its configuration of resources within the changing environment to meet the needs of the market and fulfill stakeholders' expectations. Pearce and Robinson (2007) defined strategy as a large scale, future oriented plan for interacting with competitive environment to achieve company objectives. On the other hand, Ansoff (1992) defines strategy as creating a fit between the external characteristics and internal conditions of an organization to solve a strategic problem. Mintzberg (1991) gave a four-pronged definition of a strategy: Plan as a guide or a course of action into the future, Ploy as a maneuver intended to outwit rivals in a competitive situation, Pattern or consistency over

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time, Position/ perspective, a unique/ valuable position involving a different set of activities.

1.1.1 Contextual Background

Strategy implementation is the process of putting strategies into action-based road map that will help an organization achieve its organizational objectives. A successful implementation depends largely on successful planning and formulation processes.

Thompson (1997) argues that the prospects of effective implementation are clearly dependent upon appropriateness, feasibility and desirability of the strategy. He cites that competence in implementation, which is the ability to translate ideas into actions and generate positive outcomes, can in itself be a source of competitive advantage.

Major implementation theme concerns organization structure, policies and control systems related to the management of resources and management of strategic change. The outcome of implementation in terms of strategic management and organizational success depends on the culture of the organization, the direction provided by the strategic leader and the effectiveness of the information, monitoring and control systems in place. (Thompson,1997).

According to Pearce and Robinson (2007), strategies have to be operationalized for successful implementation. Operationalization involves the identification of action plan and short term objectives, initiation of functional tactics, communicating policies that empower people in the organization and commitment to continuous empowerment. It is

specific, concrete and short-term in nature. It spells out what will be done immediately or within short periods by a functional unit in order to implement a given strategy.

The success of a strategy may lead to changes in the organizational structure. The structure of an organization is designed to breakdown work carried out into tasks and components which might comprise business units or functional department in such a way that there is effective and efficient co-ordination, communication and performance. In designing the structure and making it operational, it is important to consider the key aspects of empowerment, employee motivation and reward systems. Successful strategy implementation depends largely on the firm's primary organizational structure as it helps identify key activities and manner in which they will be coordinated to achieve the firm's strategic purpose (Johnson and Scholes, 2001).

The style of strategic leadership is another element that influences the success of implementation of strategies. Good leadership mobilizes people to work towards organizational strategy success. The attitude of the employees and managers is influential as far as success of implementation process is concerned. Strategic implementation leads to changes in the organization. These changes may lead to downsizing, outsourcing, job rotations and transfers. Good leadership will ensure that such transitions are viewed positively by all the employees in the organization. When the management teams are enthusiastic to the strategy implementation process, the employees will follow suit and will be more than eager to be part of the process (Kouzes and Posner, 1995).

The organizational culture plays an important role as far as strategy implementation is concerned. Kaplan and Norton (1996) focused attention on the role of culture in strategic

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management. Organizational culture is more than emotional rhetoric. The culture of an organization develops over a period of time and is influenced by the values, actions and, beliefs of individuals at all levels of the organization. Though companies realize that culture and more importantly its visible attribute or behaviors affect strategy implementation and yet not many managers know how to act or more precisely do not spare a thought on such an important aspect of strategy implementation. To be able to act, managers need to know exactly what changes in working style are required for the company's strategy to be implemented successfully (Kaplan and Norton, 1996).

Evaluation and control involves a review of external and internal factors which inform the present strategy. Evaluation and control is important because it confirms to the firm that what is being done is in accordance to the plan. It also confirms that results are in line with objectives. It helps improve performance of all parties involved in the implementation process. Finally, it provides the link between the strategic plan and the day-to-day operations of the company. The study will review the case of Kenya National Highway Authority (KeNHA).

1.1.2 Kenya National Highways Authority (KeNHA)

The Ministry Roads in Kenya has the overall responsibility for the provision of an efficient road network in Kenya. The Ministry provides the regulatory framework, coordination, oversight, supervision, liaison with other state agencies and any services necessary for the smooth functioning of the roads sub-sector.

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For many years the road sub-sector faced a number of challenges including: inadequate road maintenance equipment, pavement overloading by heavy goods vehicles, a huge maintenance backlog of the road network, low contracting and supervision capacity, congestion within cities and towns, encroachment on road reserves, and inadequate research on alternative low cost materials for construction of roads.

During the 2003-2007 period, reforms were implemented to enhance efficiency in road sub-sector. In October 2006, Parliament approved Sessional Paper No. 5 of 2006 on the Management of the Roads sub-sector for Sustainable Economic Growth. Subsequently, in 2007, Parliament enacted the Kenya Roads Act 2007, which provided for the creation of three new agencies to be responsible for the development and maintenance of the road network. The Kenya National Highways Authority (KeNHA) and Kenya Rural Roads Authority are responsible for the management, development, rehabilitation and maintenance of national and rural roads respectively. Kenya Urban Roads Authority is responsible for the management, development, rehabilitation and maintenance of all public roads in the cities and the municipalities in Kenya, except, where those roads are national roads.

The Kenya National Highway Authority (KeNHA) is responsible for the management, development, rehabilitation and maintenance of national trunk roads comprising classes A, B, and C roads, totalling approximately 14,090 km (KeNHA, 2007). The vision of KeNHA is to be "A leading Highway Authority committed to quality, safe and adequate national trunk roads." while its mission is "To construct and manage national trunk roads that enhances

socio- economic growth and prosperity, in recognition of Vision 2030 and the Medium Term Plan (2008 -2012)".

KeNHA aims at upholding the following guiding principles: quality service, good corporate Governance that include efficiency, effectiveness, transparency and integrity, professionalism that include maintaining ethical behaviour, professional etiquette, honesty and timeliness, teamwork and partnerships, equality and fairness, Innovativeness and Environmental stewardship - KeNHA will develop, manage, rehabilitate and maintain national trunk roads taking into consideration environmental safeguards.

As currently constituted, KeNHA is managed by a Board of Directors and run by the Director General as the Chief Executive Officer. The Director General is assisted by the General Managers, Head of Sections at the headquarters and Regional Managers in ten regions covering the country. The administration is structured around a number of departments including: General Administration, Planning and Environment, Design and Construction, Maintenance, Special Projects, Finance, Internal Audit, Legal and Corporate Affairs, Human Resource Development and Management, Quality Assurance, Procurement and Information Communication Technology (ICT). Each department has a vision and mission and all of them work towards achieving the Authority's mandate of enhanced connectivity, mobility, efficiency and accelerated socio economic development.

In the execution of its mandate through the formulated strategies in her strategic plan 2008-2012, KeNHA has been successful and this can be witnessed from the state of improved national trunk roads in the country. This can be attributed to successful

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implementation of strategies developed in its Strategic Plan. KeNHA still faces a myriad of challenges that include political and global. The most serious ones include the political instability in Kenya in the wake of KeNHA's formation in 2007/8, or the environmental degradation that has devastated Kenya forcing KeNHA to play more of corporate social responsibility in arid and semi-arid areas, hence distracting it from its core mandate (KeNHA, 2011).

The Strategic Plan for the year 2008 – 2012 was developed at the onset of its development to operationalize the functions of KeNHA and enable it realize its mission, vision and mandate to address the challenges facing the national road network. The development of the Strategic Plan was intended to guide the Authority's decisions and prioritize resources allocation in order to ensure achievement of set targets in service. The Plan was expected to marshal human, financial and other resources in provision of a safe and quality national road network. The cross cutting implementing strategies that the plan came up with include: enhancing efficiency and effectiveness, developing partnership with other government agencies and private sector, promoting use of local resources, entrenching sustainability, equity and fairness and finally applying ICT in all KeNHA's activities. These were the strategies implemented, that saw the success of the organization in the last four years.

1.2 Research Problem

If a firm's objectives cannot be achieved in the current market, it may opt to change strategy. If opportunities are presented to the firm in new market areas than accruing from its existing market then the organization may adapt to benefit from such

opportunities (Pearce and Robinson, 2007). Organizations devise strategies when their objectives can no longer be adequately met within the scope of their present operating environment. The fast changing business environment is too uncertain for the firms to find sustainable value in formulas of excellence or competitive advantage (Schwartz, 1991), making effective strategy implementation a necessity. This is exemplified by Kenya National Highway Authority (KeNHA), which is an autonomous road agency, set up under the Roads Act, 2007.

Previous studies into strategy implementation in the public sector in Kenya (Tai, 2007; Gakenia, 2008; Karani, 2009; Mulila, 2009; Nyangweso, 2009; Kisaka, 2010) have not focused on strategy implementation at KeNHA. Tai (2007) studied strategy implementation in Kenya Ports Authority, Gakenia (2008) in Kenya Commercial Bank, Karani (2009) at Kenya Electricity Generating Company (KENGEN) Limited, Mulila (2009) at Kenya Power and Lighting Co. Ltd, Nyangweso (2009) at Cooperative Bank of Kenya, and Kisaka (2010) in Lake Basin Development Authority. The studies concluded that there is need to explore how other organizations do strategy implementation in order to arrive at a comparative study.

KeNHA occupies a very unique position with respect to strategy implementation in the public sector because it is a new organization barely four years old. Therefore, this study seeks to find out strategy implementation processes at Kenya National Highways Authority (KeNHA) and determine factors that hindered their implementation processes.

Thus for successful implementation fundamental questions must be answered. Firstly, is the organizational structure appropriate? Are the various functions and activities coordinated and contributing towards clearly understood objectives? How effective is the management of resources? Finally, how should changes in strategy be managed, appreciating that culture and behavioral changes may be required? An organization can do all these but still face numerous challenges in the process of strategy implementation. The findings of this study will answer the research question: what are the strategy implementation processes in KeNHA and what are the factors that influence strategy implementation in the Authority?

1.3 Research Objectives

The objectives of the study are:

i. To establish strategy implementation practices at Kenya National Highways Authority.

ii. To determine factors that influence strategy implementation in the Authority.

1.4 Value of the Study

The study findings will contribute to strategy implementation at Kenya National Highways Authority. Through the findings, Kenya National Highways Authority will be in a position to restructure their performance in such a way as to enhance their strategy implementation and mitigate challenges accordingly.

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The results of the study would be important to other government agencies and Authorities for it would help understand strategy implementation practices that would help them in achieving their objectives and respond to challenges in strategy implementation accordingly and improve their performances.

The study would also be a source of reference for future research on the same organization and other related topics. It will also help academician who will undertake research on the same topic for comparison purposes. This will contribute to the existing body of knowledge in the area of strategic management and strategy implementation in particular.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter focuses on empirical literature relating to strategy implementation and the conceptual framework to the study.

2.2 Concept of Strategy

A strategy is the direction and scope of an organization over a long term; which gives advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets to fulfill owners' expectation (Biggadike, 1976). Thomson and Strickerland (2003) observe that strategies are at ends and these ends concern the purpose and objectives of the organization. They are the things that organizations do, the paths they follow and the decisions they take in order to reach certain points or level of success.

Mintzberg and Quinn (1998) identify four interrelated definitions of strategy as a plan, perspective, pattern and position. As a plan, it is some sort of consciously intended course of action, a guideline to deal with a situation. As a pattern it integrates an organization's major goals, policies and actions sequences into a cohesive whole. Strategy as a position becomes a mediating force or match between the organizations and its external and internal environments. Strategy as a position looks outside the organization seeking to locate the organization in the external environment and put it in a cohesive position.

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Strategy as a perspective looks at the organization. In this respect it is a concept and a perspective shared by the members through their intentions and actions.

2.3 Strategy Implementation

One of the main reasons for the emergence of strategic management in the last quarter of the 20th century was to pay proper attention to the implementation of strategy in companies. There is no doubt that strategic planning is important yet formulated strategies must also be implemented otherwise the whole planning phase becomes worthless. "It is obvious that the execution of strategy is not merely as clear and understood as the formulation of strategy. Much more is known about planning than doing, about strategy making than making strategy work" (Hrebiniak, 2006).

Hrebiniak (2006) argues that formulating a strategy is hard, but making it work, i.e. "executing or implementing it throughout the organization", is even harder. This is supported by past empirical studies, which report weak relationships between strategy formulation and its implementation. Fortune magazine (Gurowitz, 2007) finds that less than 10% of well-formulated strategies are also effectively executed. Therefore, most companies have strategies but only a few actually realize them.

The presented empirical findings on strategy implementation are therefore far from encouraging. Hrebiniak (2006) argues that most managers know far more about developing strategy than they do about executing it. As a result, they spend a lot of time formulating their strategies but often find that almost nothing ultimately changes in their companies. The original momentum somehow disappears before the company can realize

the expected benefits (Pellegrinelli & Bowman, 1994). To overcome these huge problems of strategy implementation, many authors (Connor, 2001) call for researchers to more strongly emphasize the practical problems of strategy implementation.

In an attempt to systematically structure the implementation process, several authors propose different models that companies should follow to be able to better implement their strategies. A well-articulated strategy is the first critical ingredient of the implementation process. This is then followed by the design of a primary organizational structure, establishing operating-level objectives, the design of operating structures and, finally, the creation of proper incentives and control mechanisms that support the implementation. In implementing strategies based on the described process companies therefore constantly switch between planning and organizational design, starting at the top organizational levels and then moving down to lower hierarchical levels (Hrebiniak & Joyce, 1984).

Naturally, the recent models also include other concepts. Higgins (2005), for example, proposes a revision of McKinsey's original "7S" model and proposes an "8S" model (consisting of Strategy, Structure, Systems and processes, leadership Style, Staff, resources, Shared values, and Strategic performance) to help managers better focus on strategy execution.

2.4 Critical success factors to strategy implementation

Besides the activities that need to be accomplished if a company wants to implement its strategies, one should not neglect variables in the organizational context that could hinder or represent obstacles to effective strategy implementation. There should be periodic review of strategy to find out whether the given strategy is relevant. This is required because even the care-fully developed strategies might cease to be suitable if events change, knowledge becomes clearer, or it appears that the environment will not be as originally thought. Thus, strategies should be reviewed from time to time. What should be the frequency for such a review is not universal but major strategies should be reviewed at least once a year. In fact this is done by most of the organizations who believe in relating themselves with the environment.

Hrebiniak (2006) identifies four broad contextual factors that deserve special attention when discussing obstacles to strategy implementation: the organizational power structure, the organizational culture, resource allocation, communication and change management, leadership and reward and sanction systems. These factors affect and are affected by each other. When all six are synchronized, the prognosis for effective strategy implementation should be very positive.

2.4.1 Organizational Structure

The organizational power structure is important because it influences decisions regarding the allocation of all kinds of resources necessary for strategy execution. Gurkov (2009) argue that even well prepared and sound plans die if the implementers fail to confront

difficult organizational and political obstacles that stand in the way of effective implementation. Therefore, strategy executors must persuade all relevant employees to carry out all activities necessary to implement the strategy. Obviously, the top manager's guidance, support and active involvement in strategy implementation is critical. If those in power do not care about or even resist execution of the strategy, the success of the implementation process is clearly jeopardized (Brenes, Mena & Molina, 2008).

Successful strategy implementation depends on a large part on how a firm is organized. Owen (1982) agrees that strategy and structure need to be matched and be supportive of each other in order to achieve objective set. The structure helps an organization identify its activities and the way in which it will coordinate them to achieve the firm's strategic objective. It also provides managers with a vehicle to exploit fully the skills and capabilities of the employees with minimal costs and at the same time enhance the firm's capacity to achieve superior efficiency, quality, innovation and customer responsiveness (Pearce and Robinson, 2007).

Successful strategy implementation depends to a large extent on the organizations structure because it is the structure that identifies key activities within the organization and the manner in which they will be coordinated to achieve the strategy formulated. Structure also influences how objectives and policies will be established, how resources will be allocated and the synergy across the departments. It is necessary for an organization to rationalize its operational/management structures so as to streamline it to be effective in strategy execution. This would include transfers, mergers, and creation of

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new departments and divisions for effective management. The organization structure therefore should fit with the intended strategies (Birnbaum, 2000).

2.4.2 Organizational Culture

Organizational culture refers to the shared values, attitudes and norms of behavior that create the propensity for individuals in an organization to act in certain ways. Organizational culture helps in nurturing and dissemination of core values. Implementation of new strategy will be concerned with adjustments in the organizational culture, employees, systems and style of doing things in order to accommodate the perceived needs of the strategy (Pearce and Robison, 2007).

Organizational culture sets the tone for the company and establishes rules on how people should behave. The top managers create a climate for the organizations and their values influence the direction of the firm. One of the most common culture-related problems in companies is a lack of trust, which usually results in poor or inadequate information and knowledge sharing between individuals and/or business units responsible for strategy implementation. Another common cultural problem is the domination of the short-term orientation in a company (Kaplan & Norton, 1996). Successful implementation of strategies will involve top management creating a culture in the organization of team work and commitment towards achieving the set objectives.

2.4.3 Resource Allocation

The first stage of implementation of the corporate plan is to make sure that the organization has the right people on board. These include those employees with required

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competencies and skills that are needed to support the plan. In the months following the planning process, it is important to expand employee's skills through training, recruitment or new hires to include and add new competencies required by the strategic plan (Olsen, 2005). One of the reasons why strategy implementation processes frequently result in difficult and complex problems or even fail is the vagueness of the assignment of responsibilities. In addition, these responsibilities are diffused through numerous organizational units. To avoid power struggles between departments and within hierarchies, one should create a plan with clear assignments of responsibilities regarding detailed implementation activities.

Strategy implementation will require massive funds. The organization need to have sufficient funds and enough time to support the implementation process. True costs include realistic time commitment from staff to achieve a goal, a clear identification of expenses associated with a tactic, or unexpected cost overruns by vendors (Olsen, 2005). Resource allocation is important and equitable resource allocation and sharing is an important activity that enhances strategy execution. The resources include financial, physical, human, technological and good will resource. The budgetary resources should be marched with departmental operations. Effective implementation of any organization's strategic plan depends on rational and equitable resource allocation across the organization. Proper links should be developed between the strategic plan and operational activity at departmental levels in order to necessitate proper implementation of strategies (Birnbaum, 2000). Effective implementation of any strategic plan depends on rational and equitable resource allocation across the organization and investment. Resource

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allocation helps strategic managers to coordinate operations and facilitates control of performance. It is important to have a budget for the whole organization or sub-unit. The financial objectives of all the departments should be indicated. The strategic plan is linked to the annual business plan i.e. the budget (Birnbaum, 2000).

2.4.4 Communication Systems

It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion. The way in which a change is presented to employees is of great influence to their acceptance of it. To deal with this critical situation, an integrated communications plan must be developed. Such a plan is an effective vehicle for focusing the employees' attention on the value of the selected strategy to be implemented. Therefore, communication plans will provide the appropriate information to market the strategy implementation effectively in order to create and maintain acceptance.

Managing change is difficult but absolutely critical for successful strategy execution. Wharton-Gartner's study found that problems with change management constitute the single biggest threat to strategy implementation. Leaders must therefore identify areas of necessary change and overcome any potential resistance to change. They are instrumental in changing and managing key people, incentives and organizational structures (Hrebiniak, 2006).

Communication allows sharing of ideas, facts, opinions and emotions and above all provides feedback. In organizational strategy implementation, information flows in all directions; downwards, upwards and literally is very important (Chapman, 2004). The employees freely communicate their ideas, suggestions, comments and complaints to the management on strategic objectives. These can be done through supervisors, joint consultative committee, suggestion schemes, trade unions or grapevine. Departmental communication is encouraged through inter-departmental meetings, committees and personal consultations. The management of the organization therefore should think about the communication needs that need to be articulated during strategy implementation.

From the study by Chapman (2004), all doors of communication are opened as a way of problem solving and feedback provided immediately to enhance strategy implementation. Development of ICT facilities is pivotal in creating the necessary networking to the whole organization. A good IT-based system must enable effective processes and organizational capabilities to be put in place to create the transparency and accountability needed to drive performance on a sustained basis. For the strategic plan to be achieved all the departments need to work dependently and effective communication is quite crucial because it provides synergy. Information access, sharing and exchange are exploited to their full potential. In practice, policy also allows management to communicate a company's mission, major goals and objectives, and operational domain to its internal and external stakeholders.

2.4.5 Role of Leadership

Real leadership is required to compete effectively and deliver growth. People look to leaders to bring meaning, to make sense of the seemingly unquenchable demand for results and the need for individuals to find purpose and value. Leadership is the common thread which runs through the entire process of translating strategy into results and is the key to engaging the hearts and minds of employees. Whether you are distilling strategy to achieve clarity of intent, engaging people to drive the strategy into action process or performance managing the resulting actions, effective leadership will make the difference. Motivational leadership concentrates on achieving sustained performance through personal growth, values-based leadership and planning that recognizes human dynamics in an organization.

Proper leadership skills are needed to ensure employees will execute the selected strategies. One of the biggest problems is usually the lack of co-ordination and clear guidelines of implementation activities. According to Kaplan and Norton (2006), this problem can be partly solved by using strategic maps which connect a strategy paper with an operative execution plan and can therefore substitute organizing efforts for strategy implementation. Another important function of leadership is to successfully communicate the strategy to the employees. Kaplan and Norton (2005) argue that on average 95% of a company's employees are unaware of or do not understand the company's strategy. And if the employees are unaware of the strategy, they surely cannot help the company implement it effectively.

According to Chapman (2004), the management of the organization provides direction to workers as they pursue a common mission in implementing strategies. The leaders influence their relationship with their followers in the attempt of achieving their mission. Effective leadership is very crucial during strategy execution and can be achieved through participation by all groups and individuals captured in strategic plan through freedom of choice of leaders by team members. This leads to rational leadership styles for those with good leadership qualities and qualifications (Chapman, 2004). A good strategic leader operates without bias, is visionary, self-confident, has empathy and respect to others and is experienced. Strategy implementation calls for efficient and effective leaders to guide the rest of the employees through the strategic plan with a lot of ease and provide solutions and explanations to unclear issues (Chapman, 2004).

2.4.6 Reward and Sanction Systems

Studies have confirmed that success of the strategy execution depends on the adoption of a compensation system that motivates managers and employees to achieve company goals (Galbraith & Kazanjian, 1996). Many companies repeatedly fail to truly motivate their people to work with enthusiasm, all together, towards the corporate aims. According to Cummings and Worley (2005), organizational rewards are powerful incentives for improving employee and work group performance. It can also produce high levels of employee satisfaction. Reward systems interventions are used to elicit and maintain desired levels of performance.

Reward system should align the actions and objectives of individuals with objectives and needs of the firm's strategy. Financial incentives are important reward mechanisms because they encourage managerial success when they are directly linked to specific activities and results. Intrinsic non-financial rewards such as flexibility and autonomy in the job are important managerial motivators. Negative sanctions such as withholding of financial and intrinsic rewards for poor performance are necessary to encourage managers' efforts (Pearce and Robinson, 2007).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on research design, data collection method and data analysis method that were used to carry out the research project.

3.2 Research Design

According to Kerlinger (1986), research design is the plan, structure and strategy of investigation conceived to obtain answers to research questions and to control relevance. The research was conducted through a case study of Kenya National Highways Authority. A case study is an in depth study of a particular situation. The approach is able to generate questions 'why' as well as 'how and 'what' (Kalbasi, 2007).

Kenya National Highways Authority was purposively selected as the study site because it is a major construction public corporation in Kenya that is chiefly tasked with the construction and management of national roads network in the country. The organisation is young and it has been doing well so far. At the onset of its operations, KeNHA formulated Strategic Plan - 2008-2012 that was implemented. The study will try to explore the strategy implementation practices that have set KeNHA on track in road to success.

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3.3 Data Collection

The study relied on primary data through interviews. The data was collected from key personnel in the various departments in the organisation. The respondents were heads of planning and environment, design and construction, maintenance, procurement, finance, human resource and a regional manager. The interviews were standardised and open ended to allow for comparable data to be collected.

The interview guide was divided into three sections, section one focuses on details of the respondent, section two focuses on strategy implementation processes while section three will focus on strategy implementation challenges and how KeNHA responds to the challenges.

The interview guide had open-ended questions. The open-ended questions permitted a greater depth of response. Mugenda A.G (2003) states that open ended questions help respondent to respond by giving insight into their feelings, backgrounds, hidden motivation, interest and decisions. They also give the respondent the flexibility while answering the questions.

3.4 Data Analysis

Data analysis is more or less the ways with which to handle the raw data in order to facilitate understanding and meet the objectives of the study. Since the data collected was qualitative in nature, the most preferred analysis method was content analysis. Mugenda and Mugenda (2003) define content analysis as a systematic qualitative

description of the composition of the objects or material of study. The data collected was systematically organised in a manner that facilitated analysis.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

The objective of the study was to establish strategy implementation at the Kenya National Highways Authority. This chapter presents the analysis and findings with regard to the objective and discussion of the same.

4.2 The Respondents Profile

The respondents comprised the top managers who are involved in formulation and implementation of organization's strategies. The respondents were Heads of the following departments: Planning and Environment, Human Resource and Administration, Procurement, Maintenance, Design and Construction, Finance and Southrift regional manager. In total, the researcher interviewed five respondents out of the intended seven respondents. This represented 71.4% response rate. All the respondents interviewed had university degrees with vast experience in KeNHA and other organizations that they worked prior to coming to KeNHA. In addition, the views of both genders were represented in the respondents interviewed because two were female and three male. This meant that the views expressed by the respondents were not gender biased.

The duration in which the respondents have worked in the Authority varied from one year to four years. Others were employed immediately KeNHA was formed. This indicates that the respondents have worked for a long duration of time in the Authority and

therefore understands the challenges that the Authority has faced and how they responded to them. The respondents have been holding their current position for over one year. This was due to managerial changes that took place in the month of September, 2011 where the managers where reshuffled especially in the technical area. The respondents had different academic backgrounds and had worked in various departments both within and without the organization. The respondents were found to be knowledgeable in the matters concerning the Authority and thus helped in the realization of the objectives of the research problem.

The respondents indicated that KeNHA's strategic plan covered the period 2008 – 2012. The plan is reviewed every five years and another plan for the next five years is in the process of being drafted, this is being overseen by the department of Planning and Environment. The respondents indicated that the Authority's strategic plan was formal, participatory top-down and consultative. The respondents also pointed out that a consultant was outsourced to spear head the process of formulation of the strategic plan. They also noted that the top management and the board of the Authority were very active in the development of the strategic plan.

The implementation of any organization's strategy will only be successful if the employees who are the actual implementers participate fully in the process. This fact was reinforced by the respondents, who did indicate that one of the ways to motivate the employees to work to the best of their ability in the strategy implementation process is to involve them in strategy formulation and implementation. This was however not fully achieved in the Authority as the middle level managers and lower level employees were

not fully involved in strategy formulation. They felt that though they were represented in most cases their representatives did not seek their input.

The practices that were adopted by the Authority in the implementation of its strategy include coordinated activities through meetings with the Board, Director General, Head of Departments and as well as Regional Managers. The head of sections were encouraged to hold regular meetings to monitor progress of their section operations, continuous monitoring and evaluation that generates quarterly and annual progress reports, capturing various aspects of the strategy in the performance contract and work plans, dividing the strategy into short term and medium term strategies.

For successful strategy implementation practice clear rules and procedures of decision making and work performance, schedules specifying time lines and lateral communication manifested in such forms as liaison roles, committees, task forces, project and management teams must be in place. The respondents indicated that there was indeed a monitoring and evaluation committee who monitors the progress and performance of the Authority and report accordingly. They further noted that KeNHA had an external link with other ministries like the Ministry of Roads, Finance, Transport, Local government and other roads agency like Kenya Roads Board, Kenya Rural Roads Authority and Urban Roads Authority,. Unfortunately these links are ad-hoc and not clearly elaborated in the policy framework.

4.3   Discussion of the findings

Formulating appropriate strategy is not enough. For effective strategy implementation, the strategy must be supported by decisions regarding the appropriate organization structure, organizational culture, resource allocation, top management commitment and reward systems must be matched to the external environment, and it must also fit the multiple factors responsible for its implementation.

4.3.1   Organizational Structure

The structure being practiced in the Authority is fairly broad. At the head quarter currently KeNHA has five main departments headed by General Managers with 19 Managers / Heads heading various sections. The structure depicts a situation where the Director General has many officers reporting to him directly. The structure also reveals that there are several accountability levels like the Internal Audit. In spite of this the respondents agreed that the internal departmental coordination appears to be well developed. However, the external cross agency coordination is not well structured.

At the regional level, the Regional Managers report directly to the DG, though it would be appropriate if they reported to the Head of Maintenance who reports to the Director General. The other departments like the procurement feel like they are regarded as support department though they literally run the Authority in terms of procurement of works.

In terms of strategy implementation processes the responded indicated that the structure is not fully optimized to gather for the coordination between departments in achieving the

objectives of the organization. They noted that the structure indeed posed a challenge in strategy implementation. The structure of the organization followed the parent ministry approach on the onset of its formation. The structure of the Authority is designed to breakdown how work is to be carried out in business units and functional departments. The respondents indicated that the structure of the Authority was aligned to some extend with the strategies being implemented as each department and heads of departments have specific mandate to perform. The compartmentalization has sometimes hindered communications and sharing pertinent information on cross cutting issues affecting strategy implementation across the departments.

Some respondents also pointed out that some technical departments have dominance over the support departments which are responsible for delivering their core departmental functions. In order to re-align the structure, the respondents indicated that proposals and discussions are being undertaken to restructure the organization to fit the changing market environment. Job evaluations have been undertaken to re-align and distribute tasks accordingly. It was noted that at the tactical levels some officers have huge tasks to carry out on a day to day basis. The same applied to the strategic level.

It was found out that the Authority can effectively respond to pressure to change from the environment. The finding indicates that the structure of the Authority is a bit flexible though much needs to be done. The structure of the organization was able to deal with changes in strategy through the implementation processes. The respondents were of the opinion that the Authority structure allow for breakdown of work on how the strategies were to be implemented as all departments picks what is relevant to its functions and

work has been broken down to targets for specific department. It was observed that the top-down structure that has been adopted by the Authority though good for controlling the activities of the organization, has impacted its decision making process. Its response structure was found to be slow and in some cases lead to poor decision making. It is important therefore that in designing the structure and making it operational, key aspects such as empowerment and communication process is considered.

On whether the structure of the Authority affect how objectives and policies will be implemented, all the respondents said it does affect because every department has its own roles to play within the Authority and also the shorter the structure the faster the establishment and implementation of decisions in the organization. The respondents intimated that communication should be two way so that it can provide information to improve understanding and responsibility, and to motivate staff. In addition, communication should not be a once-off activity focusing on announcing the strategy. It should be an on-going activity throughout the strategy implementation process. Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation. In fact, communication is pervasive in every aspect of strategy implementation, as it relates in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an effect on the process of implementation. The organization structure has led to negative impact on the performance and at the same time the feedback mechanism is not well integrated.

4.3.2 Organizational Culture

The respondents agreed that the culture in their organization hindered implementation of its strategy. Other department like in the procurement indicated that the culture of teamwork within the department was good. The culture factors that were identified by the respondents varied and included the following: resistance to change, fear of the unknown, lack of commitment, lack of staff development leading to low motivation of staff, lack of team work especially interdepartmental and poor communication between employees and the management team.

Organizational culture is crucial in strategy implementation processes. The leadership is in the forefront in creating a culture of winning and achieving the set objectives. The drive should start from the managers since the employees follow what their managers do. The respondent noted that the culture of the organization was not fully optimized and well integrated in the process of strategy implementation.

The core values that the Authority upholds include quality service, good corporate governance, professionalism, teamwork and partnership, equity and fairness, innovativeness and environmental stewardship. The respondents noted that the same values have not been incorporated into the day to day operations of the organization thus being on paper only and not practiced by the employees. This could be as a result of being driven by the short term goals of daily operations and lack of forums that the employees are sensitized to uphold the core values of the organization.

On the existence of coordinating committee to ensure outstanding issues on the implementation of strategy, the respondents indicated that the monitoring and evaluation unit in the department of planning acts as the coordinating committee. Secondly, the senior management does deliberate on the issues of strategy implementation but they do not communicate those deliberations to the other staff. Ineffective coordination and poor sharing of responsibilities hinders effective implementation of the set strategies and therefore the managers should put in place clear mechanisms to ensure that there is proper coordination in the Authority.

4.3.3   Resource Allocation

All the respondents agreed that there was indeed resource constraint in the Authority that hindered strategy implementation processes. The resources include physical such as limited space, human, technological such as software needed in various departments, working tools like survey equipment and financials. The main source of funding for the Authority comes from the Government of Kenya through budgetary process, development partners and Fuel Levy Fund that is used for administration expenditures and maintenance of roads.

For any successful strategy implementation there has to be enough resources available to carry out all the planned activities. The Authority relies heavily on funds from the government. This has hindered its mandate in managing, constructing, maintaining and rehabilitating the over 14,000 Km road network. The Authority is looking for ways that it can generate income so as to manage their resource constraints.

On the human resource, the respondents noted that the Authority is not fully staffed. There are some areas that are critical and yet are under staffed. The human resource department has recently carried out job evaluation and proposed to the Board on areas of improvement. The current staff also must be motivated so as they work hard at their various stations. The respondents indicated that that the Authority lack staff development procedures due to lack of well-established training programs which is self – implementing, that is once appointed; officers know when they will benefit from training schemes.

The respondents agreed that the term of employment for the Authority is not competitive enough to attract and retain staff from private sector. It is important to set aside enough finances for projects while ensuring that staff are motivated and recognized i.e. through reward and appreciation schemes. Staff with adequate training in their roles in strategy implementation is the nerve centre in boosting the Authority's competence in handling demanding tasks.

In order to address the issue of resource limitation, the respondents indicated that the Authority has lobbied Treasury to increase the allocation for development projects, reviewed work plans based on available resources, external resource mobilization, prioritizing activities, partnership with private sector and other stakeholders, adopting work station concept to avail more office spaces and optimal utilization of the scarce resources. With financial resources, proper planning and prioritizing on the policies is a key factor. As a result, the respondents noted that when the organization is setting strategies, it ought to incorporate adequate resources to ensure the realization of the set

goals and putting in place mechanism of addressing the issue of resource limitation in their role.

4.3.4 Communication Systems

Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation and continual improvement. Communication relates in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an effect on the process of implementation. Feedback on strategy implementation varies from one organization to another, however in the Authority it was found out that, it is communicated quarterly. Quarterly feedback was preferred as these would enable the Authority to make necessary changes within reasonable time. It is worth noting that feedback is normally communicated to those involved in strategy formulation and implementation, otherwise the other employees do not know the extent of implementation or the point they have reached at a given period of time. The means of communication used to communicate awareness in the Authority includes; internal memos, circulars and workshops and occasional senior staff meetings.

On the issue of whether there was adequate communication of the identified strategy to staff in the department, the respondents indicated that there was no adequate communication to the employees and the employees being the ones who are tasked with the implementation of the strategy, they need to be updated on the extent of the implementation for them to understand and accept the process. In order to improve and provide necessary and adequate communication, the Authority has been organizing

sensitization meeting, budgeting for more information technology equipment, ensuring that there are departmental monthly meetings for all staff in the Authority.

4.3.5 Role of Leadership

As currently constituted, KeNHA is managed by a Board of Directors and run by the Director General as the Chief Executive Officer. The Director General is assisted by General Managers, Managers / Head of Sections and Regional Managers in ten regions covering the country. The respondents noted that the Authority has an excellent management team who are supportive to the strategy implementation process. The limitation to the success of the strategy is beyond the Authority since external factors affect the Authority. These include overreliance of funding from other sectors and public sector environment that is characterized by corruption and political interference. The success of the Authority in the last four years in delivering its service was as a result of the support from the management team. The development projects have positively impacted on the socio-economic development of the country. Mobility has increased with majority of Kenyans using road transport.

The political interference was noted to be one of the greatest challenges faced by the leadership especially in prioritization of road projects. The Kenyan politics influences decisions made by the Authority. Secondly the historical negative public perception of road construction process is also a challenge to the leadership of the Authority in strategy implementation process. Over reliance of donor funding and foreign consultants and construction companies was noted by the respondent as another challenge on leadership. High expectation from the public is also another challenge to the leadership of the

Authority. Road construction is a long term venture, taking over two to five years to complete a rehabilitation project. The public eye views this lengthy period of time as lack of proper management of funds and the contract. Finally the rigid government procurement process for civil works has undermined timely procurement of works. Nevertheless the Authority leadership is passionate and supportive in all strategy implementation processes. The DG is at the forefront of the process of strategy implementation with an open door policy and consultation with other managers in matters relate to strategy implementation.

The respondents noted that the Authority is trying to identify new sources of funding such as public partnership or infrastructure bonds to be able to finance its projects especially for maintenance. The policy that is guiding the operations of the Authority is being reviewed by KeNHA and other stakeholders and the Ministry of Roads to ensure that strong leadership is in place. Enforcement of KeNHA's legal mandate and adhering to its core values will prevent the organization from political interference through forward planning of all its projects. Finally the Authority has embarked on public awareness through publicity and sensitization process to educate the public on the process of road construction works and challenges that faces the Authority that is beyond it like climate change and natural disasters.

4.3.6 Reward and Sanctions

The execution of a strategy depends on individual members of organization especially key managers. Motivating and rewarding good performance for individuals and units are key success factors in effective strategy implementation. Organizational rewards are

powerful incentives for improving employee and work group performance. It can also produce high levels of employee satisfaction. The respondents noted that reward system in the Authority is poor limiting strategy implementation process. There is no clear policy framework of promotion or any other form of reward to the employees. This could partly be due to categorization of KeNHA at PC3A, which has led to unattractive and poor condition of services when compared to other government parastatal who are categorized in class PC7 like the Kenya Roads Board.

The respondents indicated that the Authority has remained under staffed mainly due to the slow vesting of assets, and the employment terms. Hiring and retaining staff is a challenge to the Authority. In some cases, persons given employment have declined to take up the offered services due to terms and conditions of service. The human resource department did a job evaluation and its recommendations forwarded to the board. They proposed measures like promotion to be based on performance appraisal systems and performance targets being set based on strategic objectives and when targets are achieved, the employees are rewarded, best performance being evaluated against strategies set targets and cascaded to work plans and performance contracts.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the findings, conclusions and recommendations into strategy implementation at the Kenya National Highways Authority.

5.2 Summary of the Findings

In summary, the study shows that all the respondents had university degrees. The respondents had extensive knowledge and experience on the operations of the Authority having worked in the Authority for period of over three years with some having worked for one year in their current positions. In addition, due to the fact that all of the respondents were engaged in the day-to-day management and operations of strategy implementation of the Authority, they understood the challenges facing the organization in the implementation of their strategy. The Authority's strategy covers a period of five years and is reviewed on expiry of this period. The Authority uses various strategy development approaches which includes top-down approach, participatory, consultative and in some cases bottom – up approach.

The practices which are adopted by the Authority in the implementation of its strategy includes continuous monitoring and evaluation that generates quarterly and annual progress reports, capturing various aspects of the strategy in the performance contract and

work plans, dividing the strategy into short term and medium term strategies, use of consultancy and involvement of stakeholders.

In pursuit of achievement of success in implementation of its strategies, the Authority has encountered a number of challenges. The factors ranged from: organizations structure, culture, resource allocation, commitment of the management and reward systems in place. It was noted that the organizational structure currently in use in the Authority does not facilitate strategy implementation as it lacks ownership at some stage due to non-involvement of all levels in strategy development and at the same time it was not aligned to the strategies being implemented in the organization. In some instances also the technical wing dominates the support team which is responsible for delivering important support to the organization.

The Authority can respond to pressure to change from the environment as most of its decisions are planned annually though the politics still plays a role in prioritizations of projects. The Authority adopted the top-down approach in formulation and implementation of its strategies. Though the structure was good for controlling the activities of the organization the employees feel that they need to be involved more by the top managers especially in strategy policies that affect them. The structure affects how the objectives, policies and communication are to be undertaken as every department has its own roles to play within the Authority and also the shorter the structure the faster the establishment and implementation of decisions in the organization.

The culture being practiced in the Authority has led to resistance to change by some employees as they are used to doing things in a way which they don't want to change, the

same group will be slow in decision making that will lead to the loss of opportunity. The culture has led to lack of commitment, teamwork and mistrust. This has resulted in low strategy implementation successes and rigidity to change which affects effectiveness and efficiency in service delivery. The Authority's values include quality service, good corporate governance, professionalism, teamwork and partnership, equity and fairness, innovativeness and environmental stewardship. The culture generally is short term based and poorly optimized to the process of strategy implementation. The coordinating committee in the department of planning is not vibrant in resolving all outstanding issues on strategy implementation and these hinders effective implementation of the set strategies and therefore the managers should put in place clear mechanisms to ensure that there is proper coordination in the Authority. There has been a success in the implementation of the strategies in the strategic plan 2008 – 2012 though the same was not been communicated clearly to all employees.

The Authority encounters resource constraint in terms of financial, limited space, human resource, physical, technological and equipment. The Authority cannot deal alone with the issue of resource constraint as they rely on the treasury for funds allocation. In order to address the issue of resource limitation, the Authority has lobbied Treasury to increase the allocation for development projects, reviewed work plans based on available resources, external resource mobilization, prioritizing activities, partnership with private sector and other stakeholders, adopting work station concept to avail more office spaces and optimal utilization of the scarce resources. The available resources are not adequate for strategy implementation as it has forced the Authority to scale down on various

projects which they intended to undertake due to inadequate finance especially for development expenditure and annual work plans for maintenance works.

Organizational communication plays an important role in an organization, however in the Authority there was no adequate communication on strategy implementation to the employees and they being the ones that implement the strategy, they need to be updated on the extent of the implementation for them to understand and accept the process. Top management commitment was paramount to effective strategy implementation and whenever there is no clear commitment leadership in a process, and then chances are possible that the organization might not achieve its objectives.

The Authority top management is committed to strategy implementation. The plan was partially successful though some few soft issues arose during the implementation. The strategy of outsourcing that the Authority embraced in its delivery of services like in design work and supervision of construction works has hindered innovation and optimal use of the human resource at their disposal. The organization has brilliant Engineers who can do most of the works that are being outsourced. These have led to low motivation and low human resource development.

The road sub-sector is still marred with a lot of political interference. This has led to poor planning and prioritization of projects considering that rehabilitating a kilometer of a road is very expensive. Over reliance of donor funding comes along with regulation and condition of how such projects are managed. Some of these regulations on contract management have rendered the Authority powerless as far as the project is concerned.

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The Authority top management is committed to strategy implementation. The plan was partially successful though some few soft issues arose during the implementation. The strategy of outsourcing that the Authority embraced in its delivery of services like in design work and supervision of construction works has hindered innovation and optimal use of the human resource at their disposal. The organization has brilliant Engineers who can do most of the works that are being outsourced. These have led to low motivation and low human resource development.

The road sub-sector is still marred with a lot of political interference. This has led to poor planning and prioritization of projects considering that rehabilitating a kilometer of a road is very expensive. Over reliance of donor funding comes along with regulation and condition of how such projects are managed. Some of these regulations on contract management have rendered the Authority powerless as far as the project is concerned.

5.3 Conclusion of the study

From the research findings and the answers to the research questions, some conclusions can be made about the study:

Strategy formulation and implementation process is very vital for the functioning of any organization. From the findings, it was established that the Authority adopts some practices in the strategy formulation and implementation which involve continuous monitoring and evaluation that generates quarterly and annual progress reports, capturing various aspects of the strategy in the performance contract and work plans, dividing the strategy into short term and medium term strategies, use of consultancy and involvement of stakeholders. All these are geared towards successful implementation of the strategies.

In order for the Authority to ensure successful implementation of strategy, the process of formulation and implementation should be all inclusive where each stakeholder's views are taken into consideration for each to feel part and parcel of the process. The structure of the Authority poses a challenge as it affects how the objectives and the policies are established and also how communication is carried out in the organization. The top-down structure that has been adopted by the organization though good for controlling the activities of the organization, has impacted its decision making process. The Authority's leadership and management is commendable though it faces challenge from external environment which affect the process of strategy implementation as it affects planning, coordination and sharing of responsibilities.

The Authority's culture helps in nurturing and dissemination of core values. Implementation of new strategy will be concerned with adjustments in the organizational culture, employees, systems and style of doing things in order to accommodate the perceived needs of the strategy. From the findings it was noted that this optimization of the culture to fit strategy implementation was lacking. Effective implementation of any organization's strategic plan depends on rational and equitable resource allocation across the organization. Proper links should be developed between the strategic plan and operational activity at departmental levels in order to necessitate proper implementation of strategies.

Resources constraint inhibits the Authority's ability to fully implement its strategies considering the road construction is very expensive. The feedback on communication enables those involved in the formulation and implementation of the strategy to know the extent of the implementation and thus the necessity of the communication to the departmental employees. Top management commitment was important to strategy implementation as the rest of the employees looks upon the management for guidance on the implementation of the strategy. The employees should be rewarded for the exemplary work which they have done in implementing the strategy so that they are motivated to work hard and these can be achieved by tying the rewards to success in implementing the strategies.

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5.4 Recommendations for Policy and Practice

The study recommends the following:-

Strategy implementation should not be viewed as a one-off process; the management should inculcate a practice of regular review and reference making of the strategic plan throughout its lifespan. The structure which is in use currently in the Authority was identified as being a challenge to strategy implementation as its numerous levels makes the strategy lack ownership at some stage due to none involvement of all levels in strategy development. Equally compartmentalized boundary specific decision making structure and non-alignment of structure and strategies is a challenge.

The Authority should therefore ensure that all the employees are involved so that there is ownership to strategy implementation in the organization and at the same time align the structure to the strategies to be implemented. The operations of monitoring and evaluation unit must be enhanced and their activities sensitized so as all the employees know where they are as far strategy implementation is concerned. Changes on the strategies should equally be communicated to all employees.

The Authority is still lacking as far as its asset development is concerned especially human resource. The organization must embrace innovation and new technology in design and maintenance of their road network. The reward mechanisms must be improved so as to attract competitive staff and retain them. Staff involvement and development is critical in strategy implementation. New employees must be taken

through orientation of the process of strategy implementation and encouraged to give their views and suggestions.

A good strategic leader operates without bias, is visionary, self-confident, has empathy and respect to others and is experienced. Strategy implementation calls for efficient and effective leaders to guide the rest of the employees through the strategic plan with a lot of ease and provide solutions and explanations to unclear issues. The top management of the Authority is good and supportive to strategy implementation process. What need to be done is improve communication to employees on issues to do with strategy implementation. The leaders should also establish resource mobilization unit and enhance their corporate policies so that they are not influenced by politics in prioritization of projects. Proper work plan and organizational restructuring of internal links with drive the organization to success as far as strategy is concerned.

Culture may be a factor that drives the strategy rather than the other way round. If the existing culture is antagonistic to a proposed strategy then it should be identified and changed. People can be captured by their collective experience rooted in the past success and organizational and institutional norms and changing a firm's culture to fit new strategy is usually more effective than changing a strategy to fit existing culture.

5.5 Recommendations for Further Research

The study confined itself to the Kenya National Highways Authority. This research therefore should be replicated in other authorities and government agencies so as to

establish whether there is consistency among all the government organizations on strategy implementation.

The presented empirical findings on strategy implementation are far from encouraging. The introduction of strategic management as we know it today (i.e. the process of strategic planning combined with strategy implementation and control) opened up a formal framework for dealing with this problem, yet to date it has not attracted much academic attention. Noble (1999), for example, argues that we are still witnessing a noticeable absence of a deep and cohesive body of literature in the field of strategy implementation. Of course, this must have consequences for business practice.

 Hrebiniak (2006) argues that most managers know far more about developing strategy than they do about executing it. As a result, they spend a lot of time formulating their strategies but often find that almost nothing ultimately changes in their companies. The original momentum somehow disappears before the company can realise the expected benefits (Pellegrinelli/Bowman 1994). To overcome these huge problems of strategy implementation, many authors (Connor 2001) call for researchers to more strongly emphasize the practical problems of strategy implementation.

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APPENDIX

INTERVIEW GUIDE

The interview guide will seek to achieve the following objectives;

1. Determine the strategy implementation practices in the Kenya National Highways Authority.

2. Establish the factors that influence strategy implementation in the Authority.

Background Information of the interviewees

- For how long have you been holding your current position?
- For how long have you worked in KeNHA?
- Would you change your current duties if given a chance?

Section A: Strategy implementation practices

How were the vision and the mission of the Authority formed?

How was the organizational objective set in the strategic plan 2008 – 2012?

What was the nature of strategy formulation process adopted by KeNHA in the formation of Strategic Plan 2008 – 2012?

What level of involvement of employees does the strategy development take?

Section B: Strategy implementation challenges

1. **Organizational structure**

   a) How does the structure in your organization pose a challenge to strategy implementation?

   b) Is the organizational structure of KeNHA aligned with strategies being implemented?

   c) Were there any measures taken to re-align the organizational structures?

   d) Is the Authority structured in such a way that it can respond to pressure to change from the environment and pursue any appropriate opportunities which are spotted?

   e) Does the Authority structure allow for breakdown of work on how the strategy will be carried out in business units and functional departments?

   f) How does KeNHA's structure affect communication from the management to the employees and vice versa?

2. **Organizational culture**

   a) What are some of the values and beliefs shared by the members of your organization?

   b) Does the culture being practiced in KeNHA affected implementation of the strategies?

   c) What are some of the challenges brought about by KeNHA's culture?

Section B: Strategy implementation challenges

1. Organizational structure

a) How does the structure in your organization pose a challenge to strategy implementation?

b) Is the organizational structure of KeNHA aligned with strategies being implemented?

c) Were there any measures taken to re-align the organizational structures?

d) Is the Authority structured in such a way that it can respond to pressure to change from the environment and pursue any appropriate opportunities which are spotted?

e) Does the Authority structure allow for breakdown of work on how the strategy will be carried out in business units and functional departments?

f) How does KeNHA's structure affect communication from the management to the employees and vice versa?

2. Organizational culture

a) What are some of the values and beliefs shared by the members of your organization?

b) Does the culture being practiced in KeNHA affected implementation of the strategies?

c) What are some of the challenges brought about by KeNHA's culture?

d) Is there a coordinating committee to ensure that all outstanding issues regarding the implementation of the strategy are resolved and that the demands on the Authority are properly coordinated?

3. Resource allocation

a) Do you have any resource constraints hindering strategy implementation?

b) What kind of resources in particular?

c) How do you address the issue of resource limitation?

d) In your opinion, were the available resources (Physical, financial, technological and human) adequate for strategy implementation?

e) Are there measures which have been taken by the Authority to avail enough resources to enable the organization to implement its strategy successfully?

4. Communication

a) How often is feedback on strategy implementation communicated to the employees?

b) What means of communication does the management use to communicate the awareness of change of strategies?

c) Is there adequate communication of identified strategy to staff in your department for their understanding and acceptance?

d) What measures have you instituted to improve and provide necessary and adequate communication on strategy implementation?

5. Top management commitment

a) Was the C.E.O of Kenya National Highways in the forefront in providing leadership in strategy implementation?

b) Is leadership a challenge to the process of strategy implementation?

c) What kind of challenges do you face with leadership?

d) How do you deal with such challenges?

e) How does this impact on the process of strategy implementation?

6. Reward and Sanctions

a) Are your reward systems in any way tied to ability to implement strategies? Please explain.

b) What measures have you taken to ensure that rewards are tied to ability to implement strategies in the organization?