

**CHALLENGES OF THE IMPLEMENTATION OF STRATEGIC
PLAN AT TANA AND ATHI RIVERS DEVELOPMENT
AUTHORITY, KENYA**

BY:

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DECLARATION

I declare that this research project is my original work and to the best of my knowledge it has not been submitted for the award of a degree in any other university.

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

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DEDICATION

This project is dedicated to all men and women who endeavor tirelessly in their respective fields to improve the welfare of humanity.

I dedicate this quote from Nelson Mandela to them:” Vision without action is only dreaming, action without vision is only passing time, vision with action can change the world”.

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ABBREVIATIONS AND ACRONYMS

CAP:	Chapter
CDA:	Coast Development Authority
CEO:	Chief Executing Officer
CSH:	Critical Systems Heuristics
ENNDA:	Ewaso Nyiro North Development Authority
ENSDA:	Ewaso Nyiro South Development Authority
KDB:	Kenya Dairy Board
KVDA:	Kerio Valley Development Authority
LBDA:	Lake Basin Development Authority
MD:	Managing Director
RBV:	Resources Based View
RDA:	Regional Development Authority
SAST:	Strategic Assumption Surfacing and Testing
SSM:	Soft Systems Methodology
TARDA:	Tana an Athi Rivers Development Authority
UoN:	University of Nairobi
USA:	United States of America
VRIN:	Valuable, Rare, In-imitable and Non-substitutable
VSM:	Viable System Methodology

ABSTRACT

Strategic Management has been globally embraced as the panacea for organizations struggling to succeed in their missions' in the complex, turbulent, uncertain, and competitive global business arena of modern times. However research has confirmed that many organizations are unable to successfully implement their strategic plans with the consequence that the panacea has too often failed to deliver its promised results. Many organizations face significant difficulties with regards to strategy implementation process resulting in most strategies failing to produce superior performance for the firm. The purpose of the study was to determine the challenges of strategy implementation in Tana and Athi Rivers Development Authority, Kenya. The specific objectives were to find out if leadership; organizational structure, culture, measurement and reward system; resources mobilization, and budgetary estimates and allocation system were impediments to strategy execution. The study adopted a case study design. The research targeted the top, middle level, and line managers; and senior staff. 20 respondents were interrogated using both a self administered questionnaire and in-depth interview. The data was analyzed using content analysis. The study established that the institution's planning process is not effectively participatory. That planning and implementation are treated as two independent functions. Inadequate funding and untimely disbursement of funds from exchequer was a hindrance to the effective implementation of strategy. The research also established that lack of resources mobilization strategy linked to strategic plan was the biggest killer of strategy since the organization's strategic plan execution budget exceeded the average Exchequer allocation by over 50 times. Lack of top management commitment to strategic plan, ineffective leadership for strategy execution, ineffective organizational culture and structure, and non-functional reward and motivation policies and procedures were all identified as key impediments to the implementation of strategy. The study established that mobilization of enough funds through the organization's own initiatives is very critical to finance huge budgetary gaps between strategic plan execution budget and normal allocation from treasury. Timely distribution of resources allocated by treasury would also greatly enhance implementation of strategic plan. Most respondents recommended that top managements' commitment to the organization's strategic plan would minimize the strategy implementation challenges. The study recommended that first, the institution develop an inspiring, commonly shared vision. Top management own up the vision and grow it to become the institutional driving force. She must develop an integrated, dynamic and participatory planning and implementation process. Treasury should ensure that there is timely distribution of resources to enhance timely implementation of projects in the organization. It is imperative that the Government of Kenya give definite mandates to its agencies, end duplication of mandate, and demand results, responsibility and accountability from their management. The findings and recommendation of this research may be used by the government of Kenya to improve financing levels and/or effect timely disbursement of funds to her agencies. Top management in Tana and Athi Rivers Development Authority may adopt the findings and recommendations to improve the organizational leadership, the organization's planning and implementation processes, structure, and culture thus enhancing her strategic management and consequently conquering strategy implementation challenges. Other public corporations may use the results to enhance the implementation of strategic management in their respective corporations. The study has highlighted gaps which other researchers may use to carry out further research in the areas of strategic management.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The strategic management process involves not only strategy formulation but also strategy implementation. The strategies formulated are actualized in the implementation of the strategic plan. Most of the times, implementation of strategic plans pose the greatest challenge in strategic management as this, by and large, would determine the actual outcomes and results of the firm's strategic plan. Implementation therefore appears at the end of the strategic planning processes whose other ingredients include idea conception in the mission and vision, tactical plans, and operational objectives (Pearce and Robinson, 1991)

The essence of strategic planning is to achieve organization's success through gaining sustainable competitive advantage over competitors (Wit and Meyer, 2004). Three different theories, save for Porter's Industry Competitive Forces framework, form the theoretical framework for attaining this feat. The systems theory views the organization as an open system interacting and responding to feedback from its complex, dynamic, turbulent, and chaotic external environment. Adapting and evolving as the environment changes to sustain its competitive advantage. System modeling enables managers to reflect upon possible consequences of their actions before taking action. It also helps them cope with change and turbulence. The Resource Based View Theory, which states that for an organization to have sustainable competitive advantage it must own resources (capabilities and competences) which are valuable, rare, in-imitable and non-substitutable (VRIN). Thirdly the Strategy

Dynamic Capability theory; Teece, Pisano, and Shuen (1997) define dynamic capability as the firm's ability to integrate, build and reconfigure internal and external competences to address rapidly changing environments. While RBV theory addresses the firm's ability to sustain a competitive advantage, the dynamic capability theory focuses on competitive survival of the firm. Kleiner (2013) avows "companies gain an edge only when they evolve in ways no one else can match"

Tana and Athi Rivers Development Authority (TARDA), just like all other government corporations, was affected in 2002 when the Government of Kenya, dismayed by poor performance of public organizations, came up with a programme to transform the public service with a view to creating learner, efficient, and effective institutions which deliver mandated services to Kenyans. One strategy the government adopted was to introduce strategic planning in all government institutions. TARDA developed its first Strategic Plan in 2004, covering a period of five years – 2004 to 2009. Subsequently TARDA did its second strategic plan covering 2008 to 2012 and currently she is finalizing her third strategic plan for 2013 to 2018 (TARDA, 2013). The researcher's preliminary research indicates that TARDA has very low level of success in strategic plan implementation.

1.1.1 Strategic Planning

The purpose of strategic planning is to create competitive advantage for the organization. Competitive advantage refers to what sets the organization apart from others and provides it with a distinctive edge for meeting customer needs in the market [achieving the organization's goals and objectives]. The essence of formulating a strategy is choosing

how the organization will be different from competitors. To remain competitive organizations develop strategies that focus on core competence, develop synergy, and create value for customers. A core competence is a business activity that an organization does particularly well in comparison to competitors (Daft, 2006). At a minimum, for strategic planning to yield competitive advantage, it must address three key questions: "What do we do?", "Who are our customers?", and "How do we do what we do better than our competitors?"

The rational decision making model approach to strategic planning breaks the process into three steps; usually a split is made between the strategy analysis stage, the strategy formulation stage and the strategy implementation stage. In the analysis stage, strategists identify the opportunities and threats in the environment, as well as the strengths and weaknesses of the organization. Next, in the formulation stage, strategists determine which strategic options are available to them, evaluate each and choose one. Finally, in the implementation stage, the selected strategic option is translated into a number of concrete activities which are then carried out (Wit and Meyer, 2004). TARDA has adopted this rational approach. It has a planning department which drives strategic planning. According to TARDA (2004), the organization follows the planning school of thought.

1.1.2 Challenges in the Implementation of Strategic Plans

Strategy implementation is often called the action phase of the strategic management process which is the most challenging. Executing the strategy is a tougher, more

consuming management challenge than crafting the strategy because of the wide array of managerial activities that have to be attended to. The demanding people-management skills required, the initiatives that need to be launched and moving, the bedeviling issues that need to be worked out, the resistance to change, and the difficulties of integrating the efforts of work groups into a functioning whole. For the effective implementation of strategy an organization must achieve congruency between structure, leadership, culture and the capability of the organization (Abuya, 2011). Mapetere, Mavhiki, Nyamwanza, Sikomwe and Mhonde (2012) avow that, Strategy implementation refers to the process that turns plans into action assignments and ensures that such assignments are executed in a manner that accomplishes the plan's stated objectives, is the hallmark of effective leadership. Strategy implementation is only successful when it is backed by effective leadership.

Rapns (2005) as cited in Ateng (2007) says that on average the success rate of strategy implementation ranges between 10% and 30%. The reasons for these failures may be identified as unfeasibility of the strategy, weak management, lack of communication, lack of commitment to strategy, unawareness or misunderstanding of strategy, unaligned organizational systems and resources, poor co-ordination, uncontrollable environmental factors and negligence of daily business.

Chermack and Provo (2005) state that while occasionally we see organizations experience success with new strategies, most struggle. They argue that one need only look at the following statistics to determine that the barriers to executing strategy are

becoming increasingly important to understand and avoid: Beer and Eisenstat (2004) stated that 60 percent of strategy implementation failures are due to ineffective communication among executives, managers and line workers. '85% of management teams spend less than one hour a month on strategy issues and only 5 % of employees understand their corporate strategy -- 92% of organizations do not report on lead performance indicators' (Renaissance Solutions Survey, 1999, in Sterling, 2003). 'Only 11% of companies employ a fully fledged strategic control system' (Goold, 2002).

1.1.3 Regional Development Authorities in Kenya

According to Arumonyang (2009), Kenya has six Regional Development Authorities (RDAs) established under specific Acts of parliament. These Authorities were established based on river basins in various regions except for coast Development authority. He states that the RDAs were established with the objectives of creating desired regional balance in development through complementing multi-sectoral programmes and projects. Their mandate is to plan, implement, and coordinate development programmes in regions under their jurisdiction to ensure development through integrated planning and management.

The six RDAs are; Kerio Valley Development Authority (KVDA) established under Cap 441 of the laws of Kenya, The Lake Basin Development Authority(LBDA) established under Cap 442, Tana and Athi Rivers Development Authority(TARDA), Cap 443; Ewaso Nyiro South River Development Authority(ENSDA), Cap 447; Ewaso North River Development Authority(ENNDA), Cap 448; and Coast Development Authority (CDA), cap449 of the laws of Kenya.

1.1.4 Tana and Athi Rivers Development Authority

According to TARDA (2004), Tana and Athi Rivers Development Authority (TARDA) was established in 1981, through an Act of parliament CAP 443 of the laws of Kenya, to undertake integrated planning and sustainable development in Tana and Athi rivers' basins. TARDA's area of jurisdiction covers approximately 138,000 km², comprising 100,000 km² of the Tana Basin and 38,000 km² of the Athi Basin. 19 counties namely Nyeri, Kirinyaga, Embu, Nyandarua, Murang'a, Tharaka Nithi, Meru, Isiolo, Kiambu, Nairobi, Machakos, Kajiado, Makueni, Kitui, Garissa, Taita Taveta, Tana River, Lamu and Kilifi.

TARDA like other Public corporations has been criticized for its inefficiencies and mismanagement. It is said to contribute to many problems hindering economic growth such as public sector deficits, domestic and foreign borrowing and misallocation of resources. It is said to be characterized by wide spread misuse of funds due to lack of proper internal management and control (Karanja, 2004). The introduction of strategic management by the government of Kenya in 2002 was to reverse this trend and produce efficient and effective results oriented organizations.

Since its inception in 1974 to 2004 TARDA's development direction was driven by long-Range planning (forward planning). In 2004, the State Corporations Act was changed making it compulsory for all government parastatals to commence practicing strategic management. TARDA has implemented two five-year strategic plans, 2004 to 2009, 2008 to 2012 and is currently in the process of developing its third five-year strategic plan.

1.2 Research Problem

Formulation of a strategy and hence development of strategy implementation plans does not guarantee achievement of desired goals. Horwath (n.d.) argues that it is often assumed that once a sound strategy has been formulated, the execution of that strategy will take care of itself. He goes on to state that research seems to indicate otherwise, a survey of more than 400 companies published in *Training & Development Magazine* showed 49 percent of business leaders report a gap between their organization's ability to articulate a strategic vision and their effectiveness in executing that vision. Additionally, 64 percent of executives did not believe their organization had the ability to close that gap.

A comparison of Strategic Plan implementation matrix for TARDA (2004) and TARDA (2008), and TARDA 2013 reveals that most of the of the specific objectives, initiatives, projects and programmes in the first plan are repeated in the second plan and the draft third strategic plan. This tempts one to induce that TARDA has a problem of ineffective realization of its strategic goals. The proposed research aims at getting knowledge on the issue.

Various researchers globally have carried out studies trying to identify the challenges and constraints to successful implementation of strategic plans. In the international arena, Mehdi and Bayrami (2010) carried out a research to identify an effective factors pattern affecting implementation of strategic plans for service organizations in Teheran; Li, Guohui and Eppler (2008) identified nine, globally acknowledged, individual factors that

influence strategy implementation. these are: the strategy formulation process, the strategy executors (managers, employees), the organizational structure, the communication activities, the level of commitment for the strategy, the consensus regarding the strategy, the relationships among different units/departments and different strategy levels, the employed implementation tactics, and the administrative system in place; Chermack and Provo (2005) identified communication, management style and alignment as common issues cited for implementation problems, Gregory (2007) in his study “A systems approach to strategic management” affirms that reasons for failure of strategic plans may be attributed to the successive dominance of different reductionist approaches to strategic management.

In Kenya, many studies have been done addressing challenges in strategy implementation. Just like in the international arena, their findings vary with context. Sesi (2009) did a study to establish the challenges faced by Kenya Dairy Board (KDB) in implementing strategic plans. The study concluded that policies and procedures, tactical and operational plans, resource allocation, globalization forces, and power and politics were seen as the main challenges.

Karanja(2004 recommends further research to be carried out on the relationship between strategy development and implementation in public institutions so as to establish the extent to which action plans deliver the desired objectives. Magambo (2012) studied the challenges of strategy implementation in public corporations in Kenya. The researcher recommended that similar studies should be replicated in public organizations in the country to determine the challenges of strategy implementation.

Arumonyang (2009) did a survey of the challenges facing Regional development Authorities (RDAs) in Kenya. He noted the RDAs had unique challenges and recommended a similar research be undertaken in specific RDAs as case studies. Among all the studies done, none to the best of my knowledge has addressed the specific challenges impeding TARDA from successfully implementing its strategy plan. This research aims to fill this gap. The research problem therefore is to establish challenges faced by TARDA in implementation of its strategic plan. What are the challenges facing TARDA in implementation of its strategic plan?

1.3 Research Objectives

The research objectives were;

- 1) To Identify if organizational structure is a challenge hindering TARDA from achieving its strategic objectives,
- 2) To Identify if management style hinders TARDA from achieving its strategic objectives,
- 3) To Identify if budgeting and financial resources mobilization are obstacles hindering TARDA from achieving its strategic objectives,
- 4) To Identify if organizational culture hinders TARDA from achieving its strategic objectives

1.4 Value of the Study

The need for an integrated and coordinated approach to regional planning and development in Kenya has long been felt but its implementation has been hindered by multiplicity of actors and rivalry among them. The study findings will be useful to the National Government, the County Governments within TARDA's area of jurisdiction; Management and stakeholders of TARDA on how to address the challenges and ensure equitable regional development.

The research findings will contribute to strategic management body of knowledge for researchers interested in regional development and the academic community in the field of strategic management. Especially the study will reveal if there is external consistency between strategy implementation challenges in TARDA and those documented in the global environment.

Challenges to strategy implementation are context sensitive. Thus knowledge generated by the research will be useful to TARDA planners, operations managers, technical staff, and other regional development actors to overcome challenges in executing their operational plans.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Literature review entailed a review of available literature in the field of strategic planning and specifically the challenges of strategic plans implementation. Most of information on implementation challenges has been obtain from research paper and papers/ articles from practitioners. University of Nairobi library and the internet are the main sources of the reviewed literature. The authority of the author of internet material was considered in selecting the material to use. Only papers authored by university dons, renowned consulting firms and practitioners were used.

2.2 Theoretical Foundation

Until the 1940s, strategy was seen as primarily a matter for the military. Almost from the beginning of recorded time, leaders contemplating battle have devised offensive and counter-offensive moves for the purpose of defeating an enemy. The word strategy derives from the Greek for generalship, *strategia* (Daft, 2006). Though strategic planning gained eminence in the business world from early 1960s when organizations started having challenges with long-range planning, the concept of competitive advantage was promoted by Michael Porter in 1980s through his industry five forces framework – forces of suppliers, buyers, new entrants, substitute product, and competitor. They stem from a presumption dating back to before the 1980s that market and industry conditions determine how firms in a sector perform on average, and the scope for any firm to do better or worse than that average.

Rumelt (1991) was amongst the first to challenge this presumption of the power of 'industry forces', and it has since become well-led to the emergence of the 'resource based view' (RBV) theory of strategy which seeks to discover the firm-specific sources of superior performance. The resource-based view (RBV) state that, the basis for the competitive advantage of a firm lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal. To transform a short-run competitive advantage into a sustained competitive advantage requires that these resources are heterogeneous in nature and not perfectly mobile. Effectively, this translates into valuable resources that are neither perfectly imitable nor substitutable without great effort. If these conditions hold, the bundle of resources can sustain the firm's above average returns. The theory states that for an organization to have sustainable competitive advantage it must own resources (capabilities and competences) which are valuable, rare, in-imitable and non-substitutable (VRIN) (Crook et al., 2008).

Researchers realized that although RBV theory explains how organizations sustain acquired competitive advantage, it does not adequately explain how a firm sustains its competitive capability within the complex, ambiguous, turbulent and ever-changing business environment. Research on this line of thought came up with the theory of Strategy dynamic Capability. Teece, Pisano, and Shuen(1997) define dynamic capability as the firm's ability to integrate, build and reconfigure internal and external competences to address rapidly changing environments. While RBV theory addresses the firm's ability to sustain a competitive advantage, the dynamic capability theory focuses on competitive survival of the firm. The theory attempts to deal with the following two key questions;

(a) how can senior managers of successful companies change their existing mental models and paradigms to adapt to radical discontinuous change, and (b) ultimately, how can companies maintain threshold capability standards and hence ensure competitive survival?

Gregory (2007) state that from a systems perspective it may be argued that many of the reasons for strategic planning failure may be attributed to the successive dominance of different reductionist approaches to strategic management. He affirms that the complex, embedded and dynamic nature of modern organizations requires a systemic approach to strategic management, and that systems methodologies can make a significant contribution to the effectiveness of the strategic management process. The Systems understood that business factors are more important drivers of performance than are industry factors – in essence, this means you can do well in difficult industries, and struggle in industries where others do well. The increasing interest in how some businesses in an industry perform better than others

Systems theory views the organization as an open system interacting and responding to feed backs from its complex, dynamic, turbulent, and chaotic external environment. Adapting and evolving as the environment changes to sustain its competitive advantage. System modeling enables managers to reflect upon possible consequences of their actions before taking action. It also helps them cope with change and turbulence. He postulates that use of following systems approach: Viable System Methodology (VSM), Strategic Assumption Surfacing and Testing (SAST), Soft Systems Methodology(SSM), and

Critical Systems Heuristics (CSH), will impart guidance on which strategic planning approaches [schools] to use when and also on how to view them as a complementary set that is capable of being used in a flexible way to address all aspects of the strategic managerial task, and provide a range of methodologies that can be put in service of the strategic planning process thus eliminating most of the causes of strategic planning failures.

2.3 Strategic Planning and Challenges of Strategy Implementation

At the core of strategic planning is the concept Strategy. Numerous definitions of the concept have been given by theorists, academicians and practitioners. Currently there is no one single universally accepted definition of the concept strategy. A few definitions follow;

Rohn (2008) state, Strategy is “what” and “why”; products, projects, programs, and services are “how”. Johnson, Scholes &Whittington (2008) define strategy as the direction and scope of an organization 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. Strategic management is a process, directed by top management, to determine the fundamental aims or goals of the organization, and ensure a range of decisions which will allow the achievement of those aims or goals in the long term, whilst providing for adaptive responses in the shorter term (Leicester, MN7003/D, 2007).

Corporate strategy defines the business in which the organization will compete, preferably in a way that focuses resources to convert distinctive competence into competitive advantage. Corporate strategy is the pattern of decisions in a company that

determines and reveal its objectives, purpose, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and noneconomic contribution it intends to make to its shareholders, employees, customers, and communities (Andrews, 1978).

Porter (1997) state that, strategy is about setting yourself [organization] apart from the competition. It is not just a matter of being better at what you do it is a matter of being different at what you do. (Leicester-module3, 2007) assert success depends upon being different from competition– this means finding new solutions to customers’ problems and producing new and differentiated products

It is universally agreed that the goal of strategic planning is to achieve sustained success through creation of competitive advantage for the organization, however currently there is no one single universally accepted approach to strategic planning process. In fact some authors believe reliance on the rational approach could be the cause of strategy failures. The traditional process of strategic planning uses the rational model of decision making. It postulates strategic planning as a linear three distinct steps process- Analysis, formulation, and finally implementation. The process is deemed to be largely rational- strategists identify, determine, evaluate, choose, translate and carry out based on rigorous logic and extensive knowledge of all important factors (Wit & Meyer, 2004).

The rational approach to strategic planning has been heavily criticized by many authors e.g. Wit and Meyer (2004), Porter (1986), Mintzberg, Ahlstrand, and Lampel (1998), Quinn, Doorley, and Panquette (1990) and Gregory (2007). The authors generally postulate that the decision making environment is too complex, turbulent, ambiguous and chaotic for the static strategy model of rational decision making to be practical.

Mintzeberg, Ahlstrand and Lampel (1998) did literature review and postulated ten schools [approaches] to strategic planning. These are The Design School – view strategy formation as a process of conception; the Planning School –strategy formation as a formal process; the Positioning School -strategy formation as an analytical process; the Entrepreneurial School- strategy formation as a visionary process; Cognitive School- strategy formation as a mental process; Learning School-strategy formation as an emergent process; Power (political) School-strategy formation as a process of negotiation; Cultural School -strategy formation as a collective process; Environmental School -strategy formation as a reactive process; and the Configuration School -strategy formation as a process of transformation.

The evolving and varied approaches to strategic planning and the inherent tendency of public organizations to adhere to the planning approach is by itself a factor which could be contributing to poor performance of strategic planning in the sector. The proposed research will explore if this relationship exists.

Making strategy is not an end by itself, but a means for reaching particular objectives. Organizations exist to fulfill a purpose and strategies are employed to ensure that the organizational purpose is realized (Wet and Meyer, 2004). Strategies are actualized through formulation and execution of strategic plans. In strategic planning process, after formulating, implementing is the next and the most important stage. Implementing strategy is the connecting loop between formulating and control. In fact what integrates strategies is successful implementation of them.

Strategies take on value only as committed people infuse them with energy. Li, Guohui and Eppler (2008) define strategy implementation as a dynamic, iterative and complex process, which is comprised of a series of decisions and activities by managers and employees – affected by a number of interrelated internal and external factors – to turn strategic plans into reality in order to achieve strategic objectives.

Sterling (2003) asserts ‘effective implementation of an average strategy, beats mediocre implementation of a great strategy every time’. Yet companies nonetheless often fail to operationalize their strategies in ways that improve the likelihood that they will be implemented effectively. Nickols (2000) as cited by Al-Ghamdi (2010) posits that strategy is execution. He discussed four cases of strategy execution: flawed strategy & flawed execution, sound strategy & flawed execution, flawed strategy & sound execution, and sound strategy & sound execution. Only when the strategy and the execution are sound the organization has a pretty good chance for success, barring aside environmental and competitive influences. Further, he contends that executing the wrong strategy is one

of the major problems leading to unsuccessful implementation of strategies. Corboy and O'Corrbui, (1999), as cited by Sterling (2003) found that nearly 70 percent of strategic plans and strategies are never successfully implemented.

Various literatures have been reviewed with a view to identifying documented challenges to strategic plan implementation. Textbooks reviewed were rich in strategic implementation content but scarce on implementation challenges. Among the factors cited as crucial to successful implementation, the following dominate: Leadership, Organizational culture, structure, processes; coordination and control systems, management systems, human resource systems, communication, systems approach to strategic management, resource allocation, Change management, and creative thinking and creative problem solving. Most of the documented challenges to strategic plan implementation were obtained from past research work and papers from practitioners.

The results of the review are hereby presented; Kaplan and Norton (2001), the developers of Balanced Scorecard concept, make the point that fewer than 10 per cent of all strategies are implemented, and this can be traced to fundamental problems in the process of strategic implementation. They point out four barriers to strategic implementation, which are: the vision barrier - Only 5 per cent of the workforce understands the strategy; the management barrier – 85 per cent of executive teams spend less than one hour per month discussing strategy; the resource barrier – 60 per cent of organizations do not link budgets to strategy; and the people barrier - Only 25 per cent of managers have incentives linked to strategy.

Mehdi and Bayrami (2010) carried out a research to identify an effective factors pattern affecting implementation of strategic plans for service organizations in Tehran. Their research findings showed that the following factors affect strategy implementation but their effects rates are different; leadership, organizational structure, organizational culture, human resources, information systems, and technology.

Sterling (2003), in paper his paper titled Translating strategy into effective implementation: Dispelling the myths and highlighting what works, argues that the real reasons that strategies fail are varied but fortunately, the causes can often be anticipated and the pitfalls can be avoided. He reckons that the following are real reasons that make strategies fail; unanticipated market changes; effective competitor responses to strategy; application of insufficient resources; failures of buy-in, understanding, and/or communication; timeliness and distinctiveness - Sterling posits that some strategies fail because someone beats the company to market with a similar idea or strategy. Similarly, some strategies fail because they leave the company undistinguished in the market (i.e. others are pursuing the same strategy and/or market position); Lack of focus - He argues that a corollary to the need for timeliness and distinctiveness is the need for strategic focus. Stating that some companies try to be all things to all people and as a result, they lack distinctiveness, but importantly, they also lack focus; and Bad strategy – poorly conceived business models.

Chermack, provo and Danielson (2005) in their paper - Executing Organizational Strategy - A Literature Review and Research Agenda, carried out in USA tried to establish barriers to successful implementation of organizational strategy. They synthesized the key reasons for strategy implementation failure identified in their research in USA and concluded the

elements shared in all of the models and supported by the general literature review were: External issues (market changes, effective competitor responses); lack of focus (unclear goals that don't translate to other organization levels); misalignment among business processes, units and their goals; failure to measure progress and hold people accountable; and problems with leadership and commitment to the strategy.

Freedman (2003) as cited in Chermack, Provo & Danielson (2005) affirm the following as strategy implementation obstacle; strategic inertia; lack of stakeholder commitment; strategic drift (lack of focus - unclear goals); strategic "dilution"; strategic isolation (lack of alignment among business units and goals); failure to understand progress (no measurement of indicators of success or failure); initiative fatigue (too many initiatives - tired of consultants and their tricks); impatience (a demand that change happens now); not celebrating success;

De Lisi (2002) as cited in Chermack, Provo & Danielson (2005) found that lack of knowledge of strategy and the strategy process; the plan was not communicated effectively; People are not measured or rewarded for executing the plan; the plan is too abstract- people can't relate it to their work; people are not held accountable for execution; Senior management does not pay attention to the plan; Strategy is not clear, focused and consistent; Conditions change that make the plan obsolete; The proper control systems are not in place to measure and track the execution of the strategy; reinforcers such as; culture, structure, processes, IT systems, management systems and human resource systems are not considered, and/or act as inhibitors; People are driven by short-term results.

Beer and Eisenstat (2000) asserts that the six key “strategy killers” are: Top-down or laissez-faire senior management style; Unclear strategies and conflicting priorities; Ineffective senior management team; Poor vertical communication - employees often feared that senior level managers and executives did not want to hear their observations or interpretations of the problems they were facing; Poor coordination across boundaries; Inadequate down the line leadership skills - Lower-level managers were not developing skills through the new opportunities they were facing, nor were they supported through leadership coaching or training.

In the local scene (Kenya) various studies have been done on strategy implementation challenges. The following were identified as relevant to the proposed study: Karanja (2004) carried out a study on mode of strategic planning in public corporations in Kenya and how this affects their performance; Magambo (2012) studied the challenges of strategy implementation in public corporations in Kenya; Arumonyang (2009) did a survey of the challenges facing Regional development Authorities (RDAs) in Kenya. Sesi (2009) did a study to establish the challenges faced by Kenya Dairy Board (KDB);

Ateng (2007) challenges of strategy implementation at the ministry of finance in Kenya, Awino, Wandera, Imita & K’Obonyo (2009) Challenges facing the implementation of differentiation strategy at the Mumias sugar company limited. The key challenges identified by the studies were; control by external powers; political decision making; inadequate resources; inadequate funding and untimely disbursement of resources by Treasury; staff resistance to change and lack of skills; politicized internal environment; dependency on exchequer for recurrent and development funding; promotion of traditional managers and aversion to superior practices; policies and procedures, tactical and operational plans; globalization forces, power and politics, training, branding, pricing, research, culture, and competition.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methodology that was used in the overall process of the research. It presents the research design, population of study, research instruments and data collection procedures used, and data analysis techniques.

3.2 Research Design

The research problem was to identify the strategic plan implementation challenges in TARDA, Kenya. The research objective was to identify the major challenges to strategy implementation in TARDA. To achieve this objective the researcher used the case study method. The case study method allows one to take a single situation within a single social unit and study it comprehensively and intensively. Under this method an effort was made to identify the mutual inter-relationship of causal factors.

Kothari, 2004 argues that under the case study method the behavior pattern of the concerning unit is studied directly and not by an indirect and abstract approach. Thus the method results in fruitful hypotheses along with the data which may helpful in testing them, and thus it enables the generalized knowledge to get richer and richer. The case study approach allowed the researcher to use multiple sources and techniques of data collection. These were in-depth interviews, questionnaires, and review of documents. The collected data was largely qualitative.

The used Case study design was as follows: TARDA's strategic management problem and the research question were determined and defined, data gathering and analysis techniques were determined, data Collection was undertaken in TARDA during the months of August and September - 2014, collected data was evaluated and analyzed, and research project report prepared. The study was completed in October, 2014.

3.3 Data Collection

Both primary and secondary data related to the area of study was used. Secondary data was sourced from TARDA's library. Publications such as TARDA's strategic plan, and reports from the Planning department, Monitoring and evaluation and Technical services were used.

To gather primary data, the researcher used two methods; a semi-structured, self administered, questionnaire and in-depth interviews. The Questionnaires distribution was done by the researcher using drop and pick latter method. When dropping the questionnaires the researcher booked an appointment with the respondents for an in-depth interview on the picking date.

The in-depth interviews enabled the researcher get insight on; the respondents' responses to the questionnaires, and cause of their opinions on the major challenges facing TARDA in strategy implementation. The study, owing to its strategic nature, focused on senior management, middle level management, senior technical officers and line management (coordinators), namely: The Managing Director, 5-Chief Managers, 7-Senior Managers, 4- Senior Technical Officers and 3- Regional Coordinators. Thus the study targeted a total of 20 respondents who constitute TARDA's management team.

3.4 Data Analysis

The data collected through the self-administered questionnaires was first reviewed to identify and remove errors made by respondents. Edited data was then coded in order to translate responses into specific categories. Code numbers were assigned to each answer of survey question and from this a coding list or frame was obtained. Microsoft-word and Ms-Excel computer softwares were used for data capturing, sorting, categorizing, storing and retrieving, and data analysis. Content analysis was used to analyze the respondents' responses. Content analysis is measurement through proportion – pervasiveness is an indicator index of specific factor strength (Kothari, 2004). Thus frequency analysis and proportionality were used.

Kothari, 2004 states that content analysis can be done at two levels; simple, and Subtle. It is simple level when pursued on the basis of certain characteristics of the documents or verbal materials that can be identified and counted (such as of major scientific concepts in a book). It is at a subtle level when the researcher makes a study of the attitude, say of press towards education by feature writers. Both levels of analysis were attempted – This was made possible by a combination of self-administered questionnaires and in-depth interview techniques.

CHAPTER FOUR

DATA ANALYSIS RESULTS AND DISCUSSIONS

4.1 Introduction

In this chapter data pertaining to the challenges in strategy implementation in TARDA is analyzed and presented. A total of twenty senior and middle level managers and technical officers were interviewed. Every respondent was given a questionnaire and eighteen responded. Thus a response rate of 80% was achieved. During the date of picking the questionnaires the researcher interviewed the respondents to get further insight on the challenges impeding strategy implementation. The interview achieved 100% response. The collected data were edited and coded. Data analysis of the responses was done using content analysis. Presentations are done in form of bar graphs, pie charts and tables.

4.2 Respondents General Information

The study sought to determine the gender, age, level of education, years of service and the designation of the respondents. The results of the study are presented in the sections below:

4.2.1 Gender

Respondents were asked to indicate their genders. According to the findings presented in Figure 4.1, below, 80% of the respondents were male while 20% were female. This may be interpreted to mean that male employees dominate TARDA's management level.

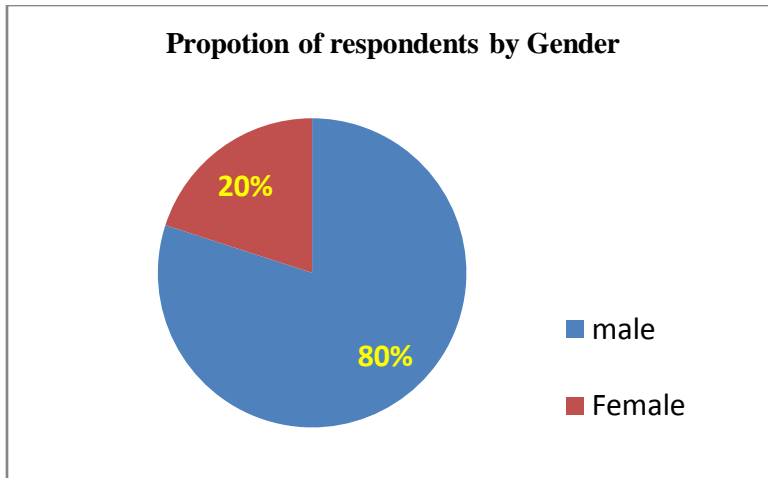


Figure 4.1: Distribution of Respondents by Gender

Source: Research Data (2014)

4.2.2 Age

The study sought to determine the ages of the respondents. The study results presented in Figure 4.2 show that majority of the respondents (45%) were aged between 41 and 45 years. The results further show that 25% of the respondents are aged between 30 and 40 years, while the remaining 30% is over 45 years old. This may be interpreted to mean that TARDA has a mature, experienced Management team.

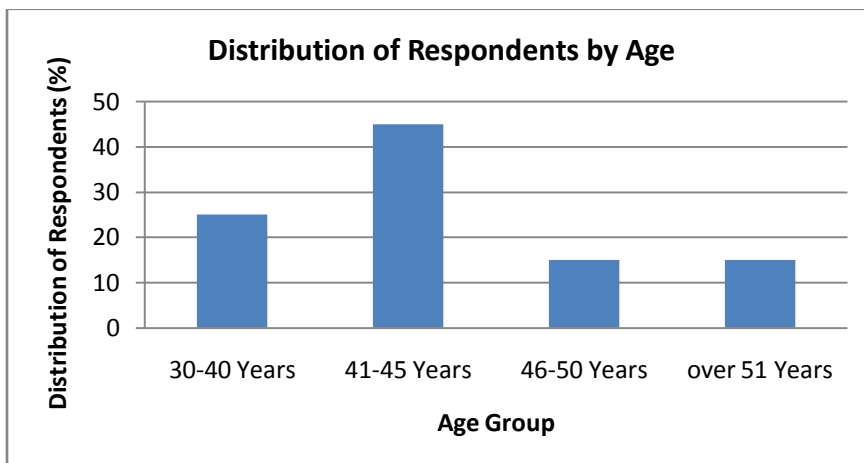


Figure 4.2: Distribution of Respondents by Age

Source: Research Data (2014)

4.2.3 Level of Education

The study sought to determine the level of education of the respondents. The findings of the study presented in Figure 4.3, below, show that all respondents are university graduates with 45% having Masters degrees. The findings can be interpreted to mean that most of the respondents are highly educated and competent to adequately address strategic management issues

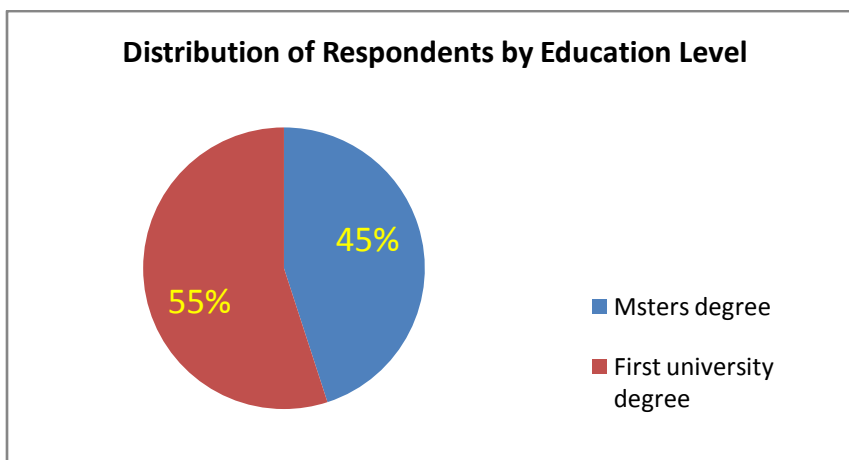


Figure 4.3: Distribution of Respondents by Education Level

Source: Research Data (2014)

4.2.4 Years of Service in TARDA

The respondents were asked to indicate the number of years they have served in TARDA. The results of the study presented in Figure 4.4 below show that most of the respondents (65%) have been in for over 11 years: With the shortest service by respondents being three years. We thus can conclude that the respondents know TARDA well enough to respond to the research objective from experience and insight.

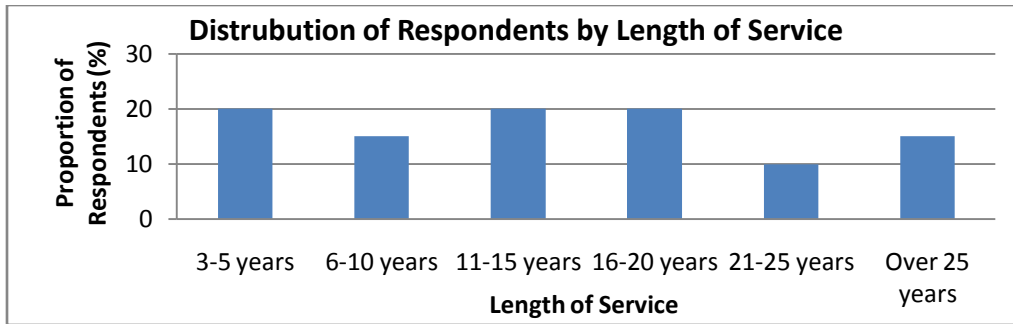


Figure 4.4:Distribution of Respondents by Length of Service

Source: Research Data (2014)

4.2.5 Years in Current Position

The respondents were asked to indicate the number of years they have been in their current positions. The results of the study presented in Figure 4.5 show that most of the respondents (58%) have served in their current positions for between half to three years while 42% have served for either four to five or over five years. We can thus infer that the biggest percentage of respondents were involved in the implementation of the second Strategic plan whose time frame was 2008 to 2013 and participated in the development of the current TARDA strategic plan 2013 to 2018.

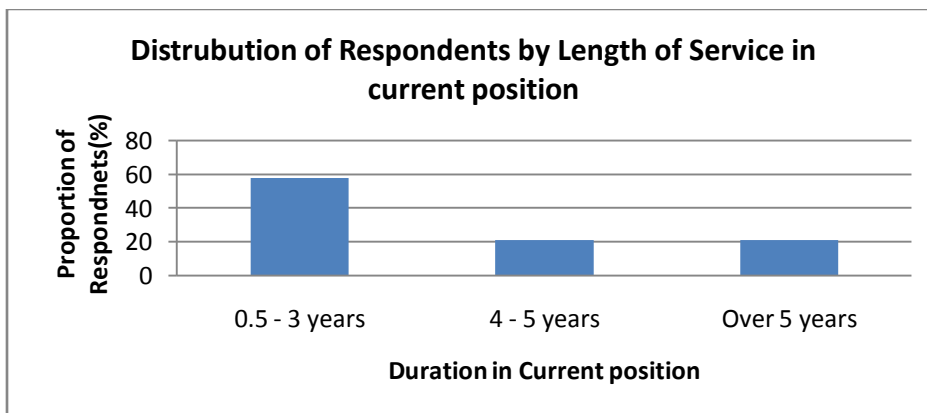


Figure 4.5:Distribution of Respondents by Duration in Current position

Source: Research Data (2014)

4.3 Strategy Implementation Challenges

The study was designed to establish whether various challenges experienced by other organizations as outlined in the literature review posed a challenge to strategy implementation in TARDA. The study investigated challenges related to three thematic areas; planning process, organizational systems, and management Challenges. The results are presented here below;

4.3.1 Challenges related to the planning Process

Under this thematic area, three challenges to strategy implementation, informed by literature review, were investigated. These are implementation challenges emanating from (a) poor strategy (poorly conceived business models, or poor means of actualizing a strategy), (b) Ambitious strategic initiatives with no in-built, clearly defined and executable means of achieving them (No plan behind the idea), and (c) failure to capture and adequately address all implementation issues at the planning stage. Respondents were interviewed on whether TARDA has ever been hampered from implementing its strategic plan due to the above challenges. The findings were as presented below:

Queried on whether TARDA has suffered the obstacles related to poor strategy (poorly conceived business models, or poorly conceived means of actualizing a strategy), 100% of the respondents affirmed that this set back afflicted the organization. Figure 4.6 below presents the categorized perceived causes of this challenge. 100% of the respondents also avowed that TARDA has been a victim of Ambitious strategic initiatives with no in-built, clearly defined and executable means of achieving them (No plan behind the idea).

Figure 4.7 presents the classified respondents' perceived causes of this obstacle in TARDA. 98% of respondents stated that TARDA has suffered implementation challenge caused by failure to capture and adequately address all implementation issues at the planning stage. The categorized perceived reasons for this impediment are presented in figure 4.8 below.

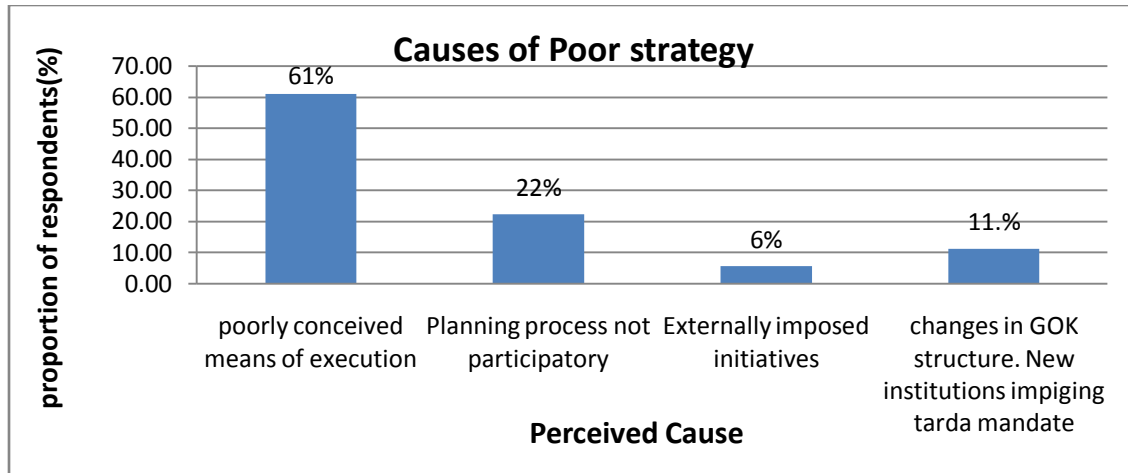


Figure 4.6: Causes of poor strategy

Source: Research Data (2014)

The researcher investigated whether poor strategy was an impediment to implementation. 100% of the respondents were affirmative. The respondents perceived causes of poor strategy were categorized as presented in Figure 4.6 above. 61% associated poor strategy with poorly conceived means of execution. 22% felt that the planning process was not effectively participatory. 11% were of the view that changes in the legal, regulatory, and government organization affect TARDA's operating environment and hence relevance of Strategy. Externally imposed initiatives (emerging), which were not captured in the strategic plan but override the strategic plan in implementation priority owing to the power of proponents, were given by 6% of the respondents as the contributing to "poor strategy".

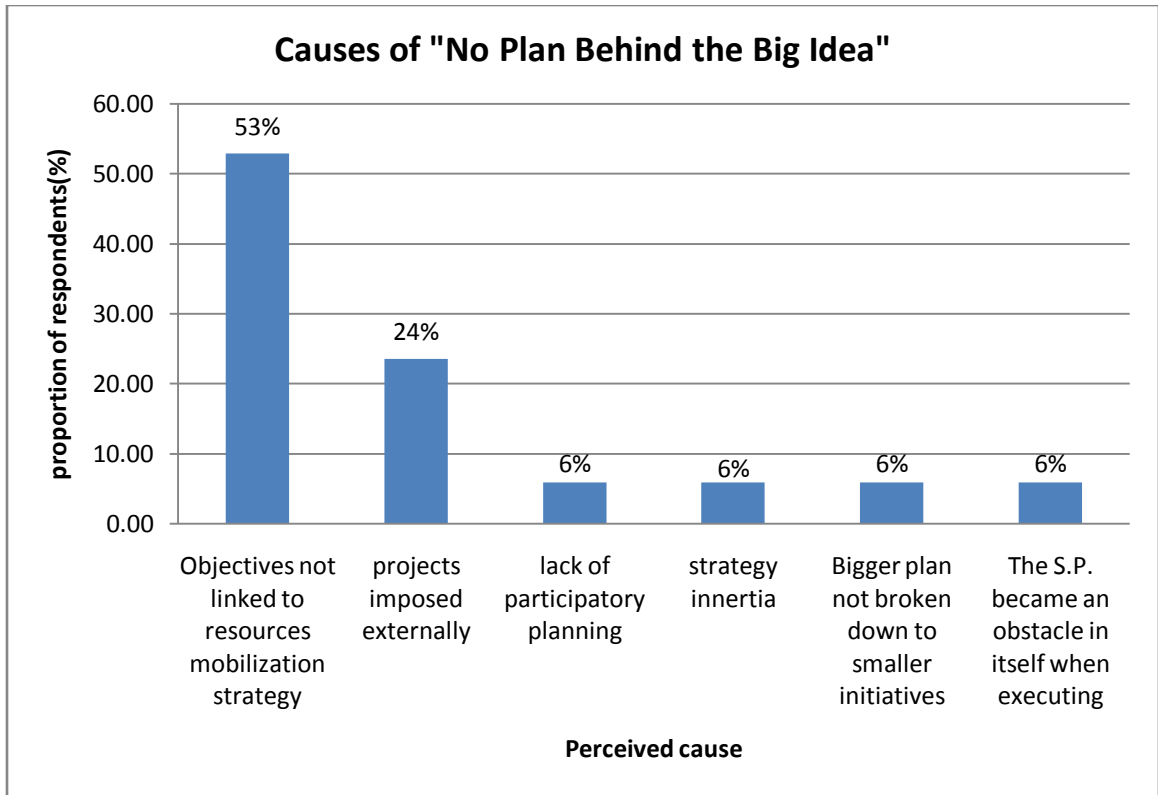


Figure 4.7: Causes of Ambitious strategic initiatives with no in-built means of execution
Source: Research Data (2014)

Reasons resulting in ambitious initiatives with no in-built means of execution are as depicted in Figure 4.7 above. The majority of the respondents – 53% held the view that TARDA does not link its strategic objectives to any resource mobilization strategy. Some technical staff felt that at times the strategic plan becomes an obstacle to implementation in itself as the resources for executing it are simply not available. Financial resources were mentioned as the most crippling factor to strategy implementation. 6% of the respondents held the opinion that TARDA suffers from strategy inertia. Once the institution has met the government’s performance contract requirement that all Parastatals must have strategic plans, the document is shelved. The day to day activities are not linked to the strategic plan.

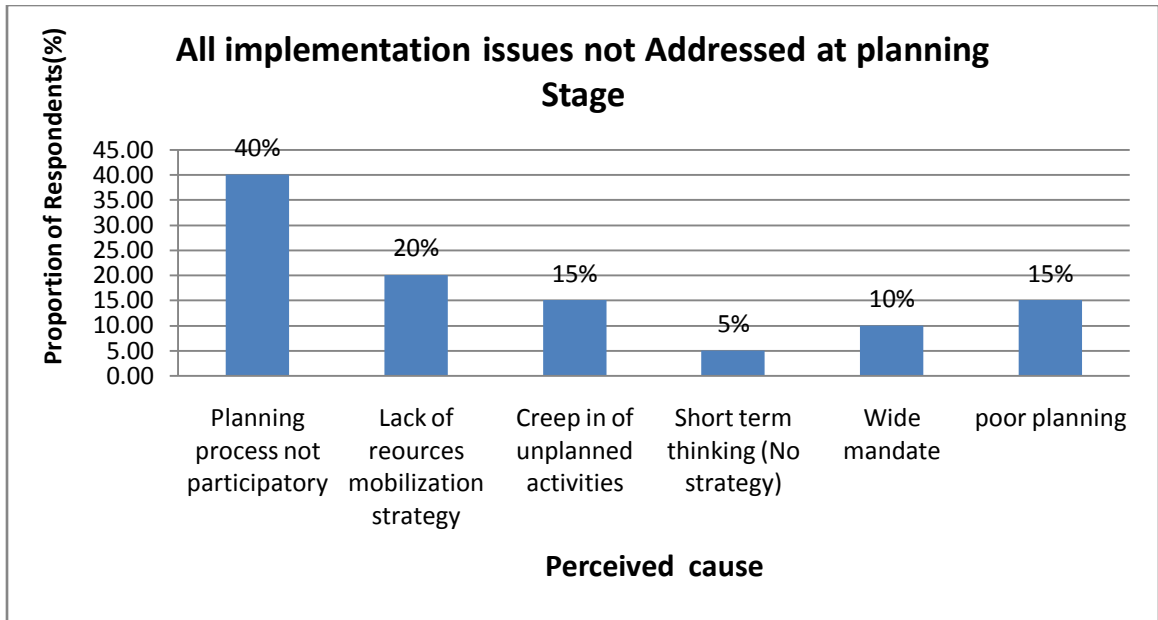


Figure 4.8: Causes of failure to capture and adequately address all implementation issues during planning stage

Source: Research Data (2014)

Figure 4.8 presents respondents views on why the planning process does not capture and address all implementation issues. 40% associated the challenge with non-participatory planning process. Planning is viewed as separate from implementation and hence implementers are not involved in planning nor are planners involved in implementation. 20% emphasized absence of resources mobilization strategy linked to the strategic plan thus hindering proper implementation.

4.3.2 Organizational challenges

The research investigated the following organizational elements; structure, culture and reward and motivation system. 100% of the respondents affirmed that these factors pose a major obstacle to strategy implementation. Organizational structure was classified as a major obstacle hindering professionalism and effective operations. Research revealed that

culture is never officially addressed in TARDA. The organization has never deliberately tried to develop any organizational culture. Reward and motivation system does not exist.

The results are presented in Figures 4.9 to 4.16 below.

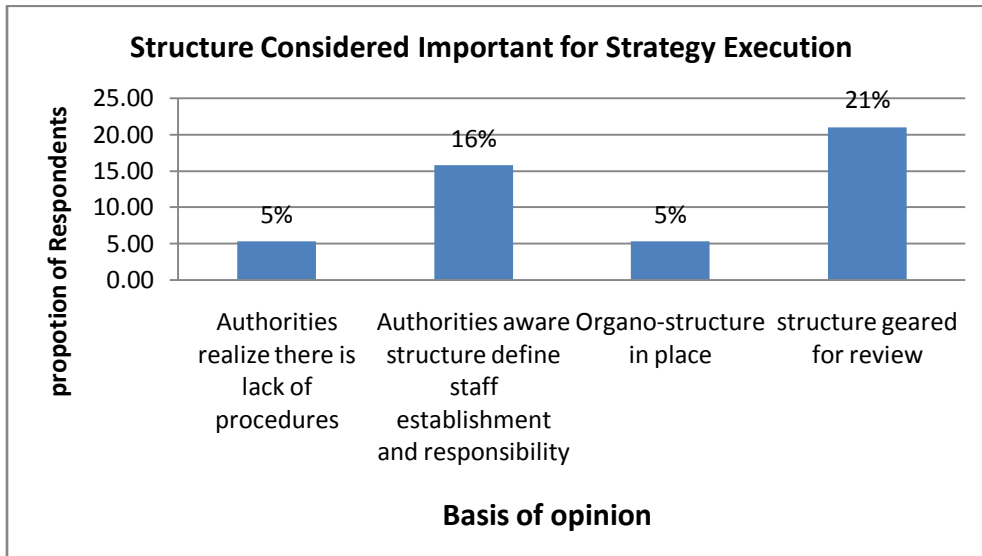


Figure 4.9: Structure Considered Important for Strategy Execution

Source: Research Data (2014)

Respondents were asked if in their opinion TARDA considers organization structure important for effective strategy implementation. 47% were of the affirmative opinion. Figure 4.9 above gives the basis of their opinion. 53% of the respondents were of the view that TARDA does not consider structure an important factor for effective strategy execution. Their reasons are give in Figure 4.10 below. The majority of the dissenting respondents 30% feel that top management has no respect for the existing structure and hardly adheres to it in allocation of duties, roles, and reporting lines.

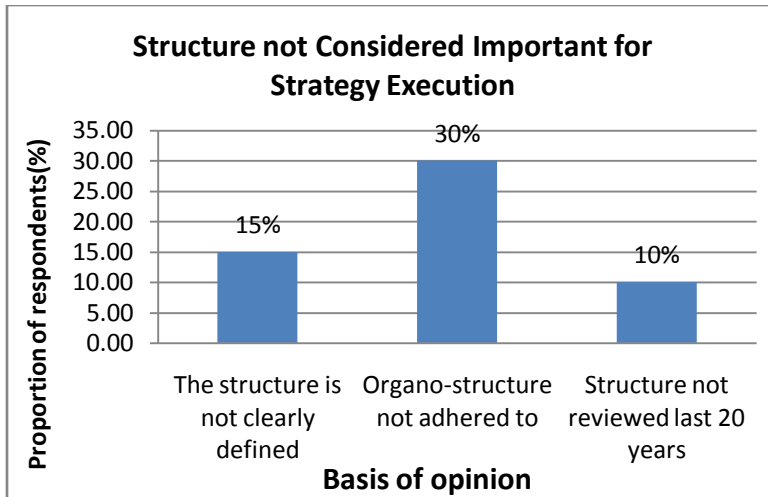


Figure 4.10: Structure Not Considered Important for Strategy Execution

Source: Research Data (2014)

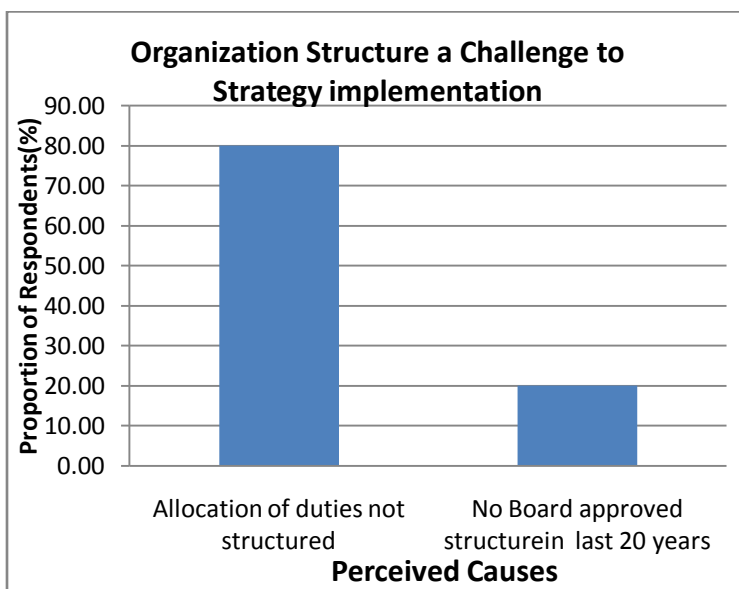


Figure 4.11: Structure a Challenge to Strategy Execution

Source: Research Data (2014)

As can be seen in Figure 4.11 above, 80% of the respondents viewed non-structured allocation of duties as a major challenge to strategy implementation as it kills down the line leadership, responsibility and accountability. 20% stated that lack of an official organo-structure caused confusion on reporting lines and hence operational ineffectiveness.

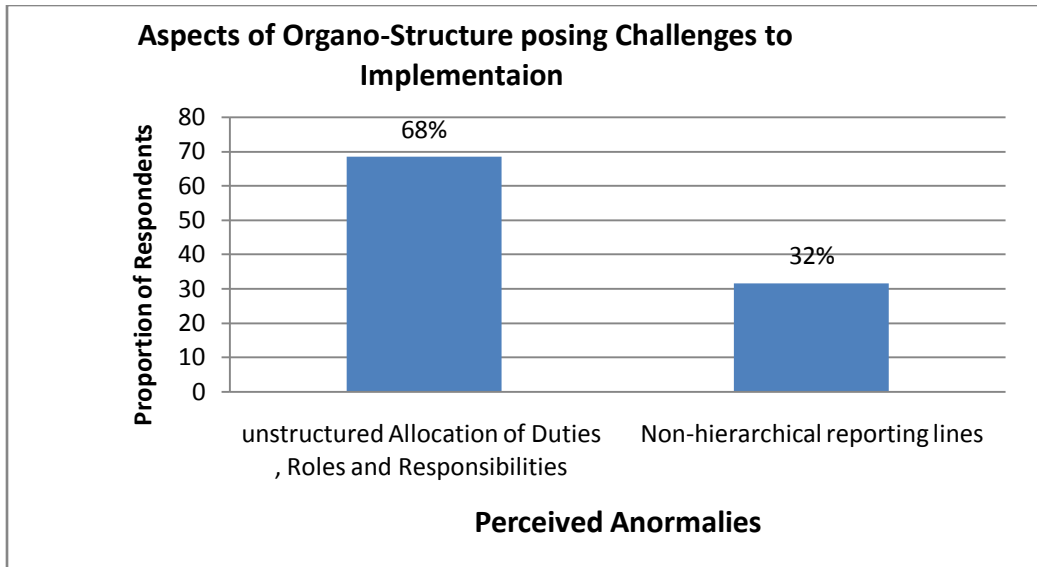


Figure 4.12: Aspects of Organo-Structure Posing Challenge to Strategy Execution

Source: Research Data (2014)

Figure 4.12 above presents the two major aspects of structure which were considered to pose major obstacles to strategy execution process in TARDA. 68% attributed it to unstructured allocation of duties, roles and responsibilities.

Organizational culture posed a big challenge to respondents. It was a new concept to them. 11% of the respondents were of the opinion that there was no well defined organization culture in TARDA, while 17 % said staff followed a set of regulations and procedures laid down by management. 33% were of the view that the existing culture was not conducive to actualization of strategic plan but rather serving self-interests and loyalty to top management. The results are presented in Figure 4.13 below.

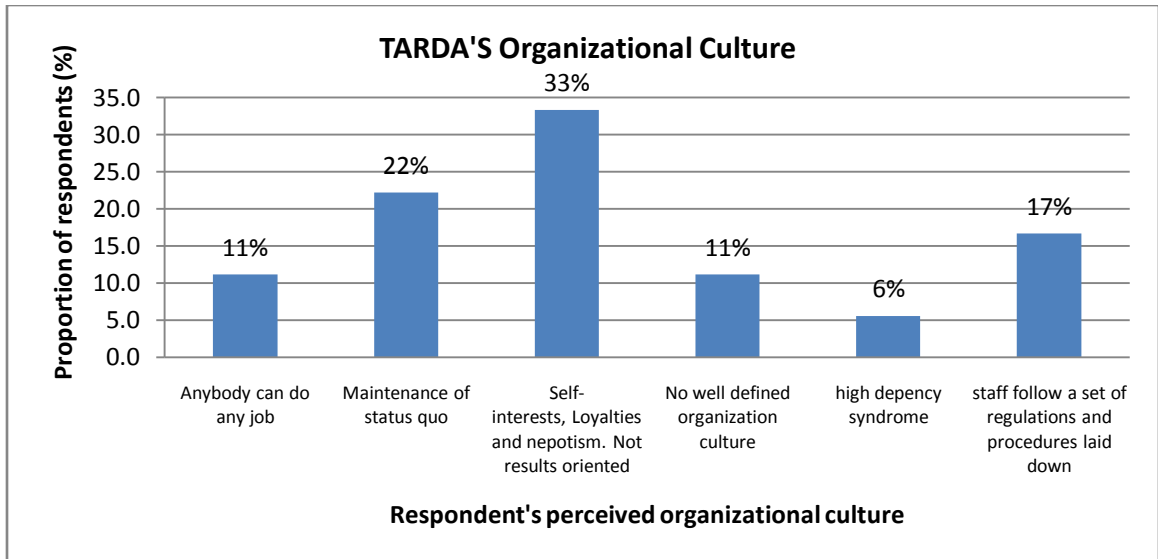


Figure 4.13: Perceived TARDA Organizational Culture

Source: Research Data (2014)

Interrogated on whether TARDA considers culture an important factor in successful execution of strategy, 22% were of positive opinion while 78% were of negative opinion.

The causes of these opinions are presented in figures 4.14 and 4.15 below

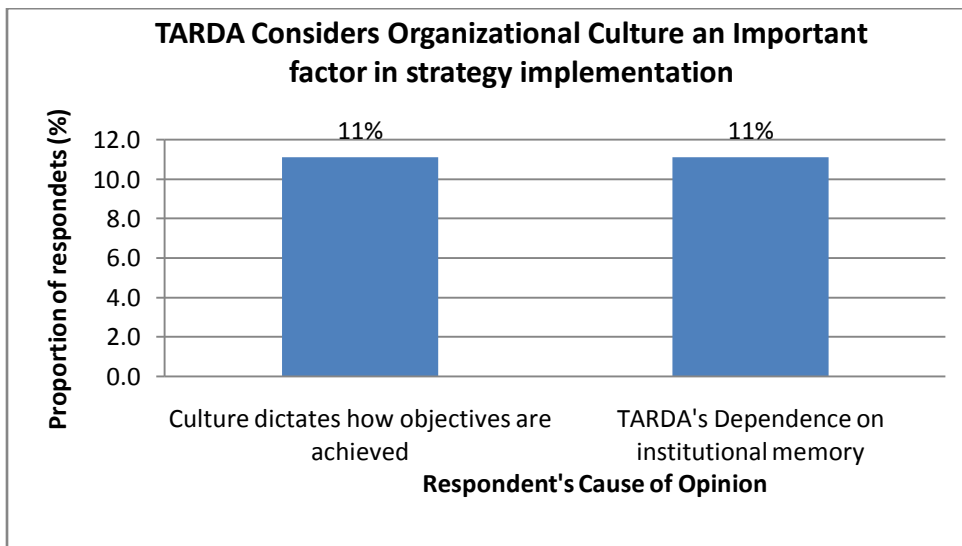


Figure 4.14: TARDA Consider Culture Important for Strategy Execution

Source: Research Data (2014)

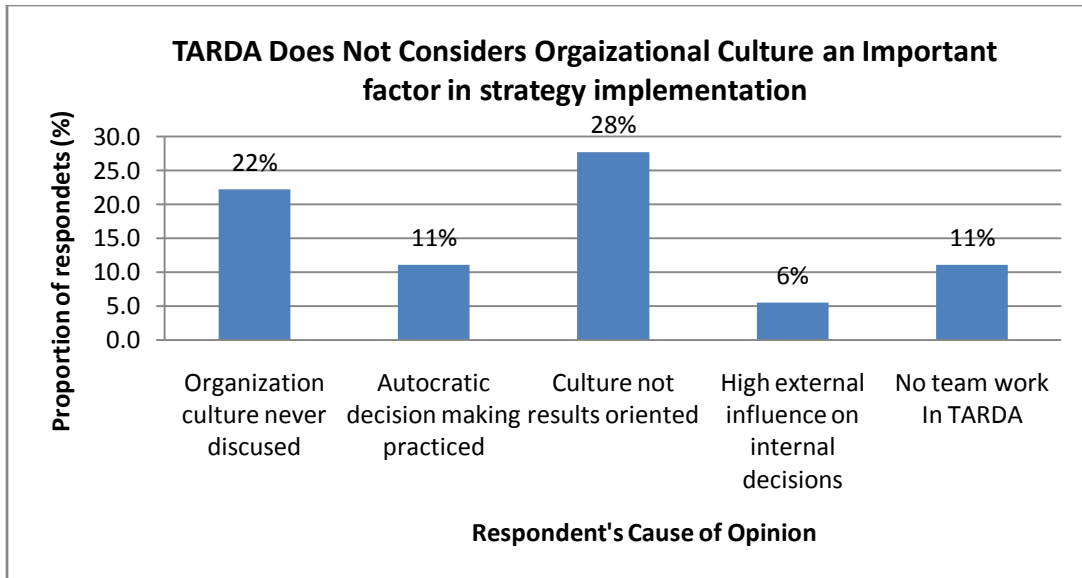


Figure 4.15: TARDA does not Consider Culture Important for Strategy Execution

Source: Research Data (2014)

Figure 4.15 above presents the reasons why 78% of the respondents felt TARDA does not consider organizational culture an important aspect to successful strategy execution.

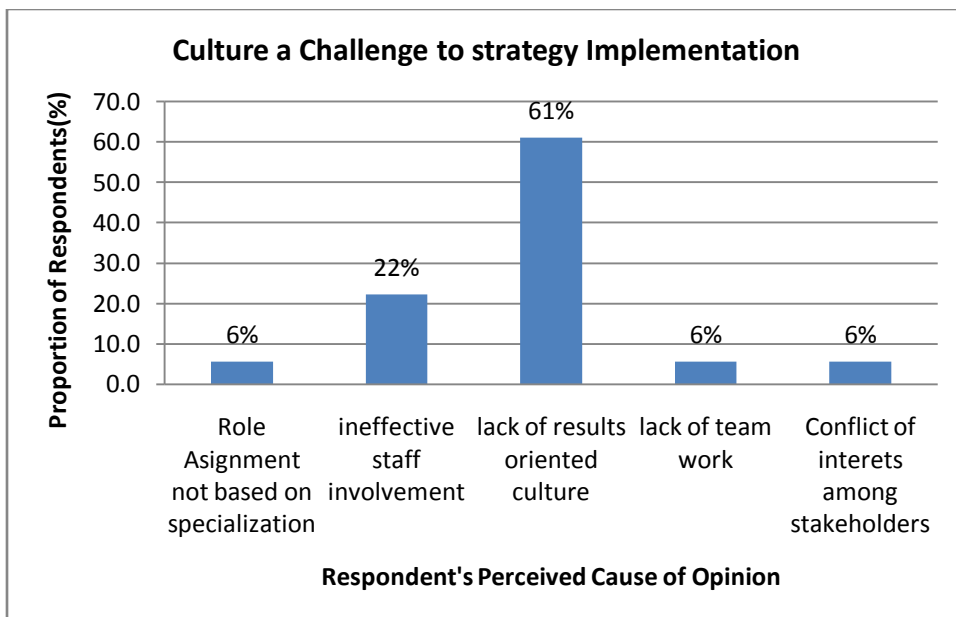


Figure 4.16: Culture a Challenge to Strategy Execution

Source: Research Data (2014)

Figure 4.16 above shows the aspects of culture which hinder strategy execution in TARDA. Respondents were interviewed on whether in their opinion reward and motivation systems in TARDA posed any challenge to effective strategy implementation. 100% of the respondents were of the opinion that the system is simply non-existent and was a cause of a demotivated work force in TARDA. The results are presented in Figure 4.17 below.

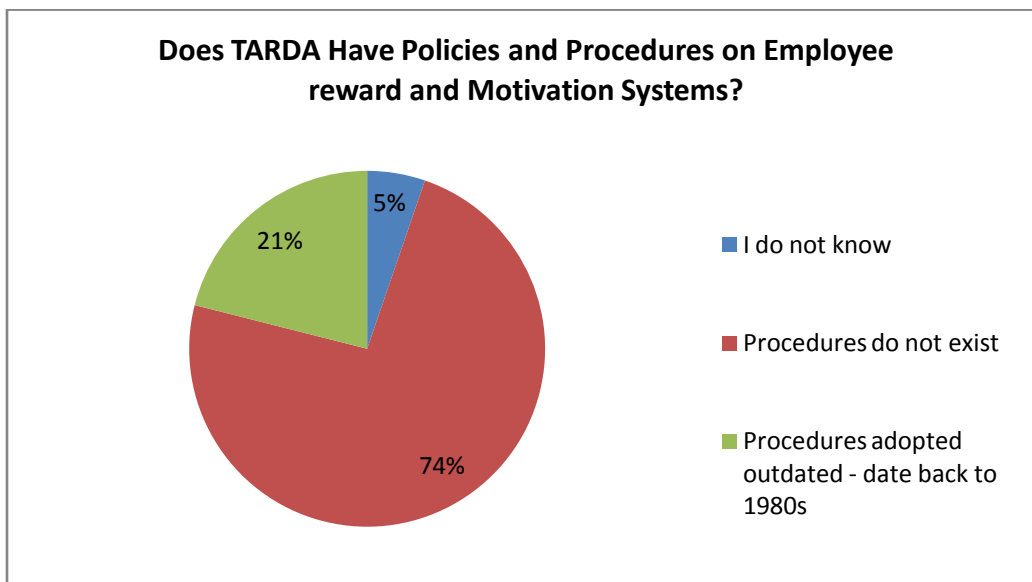


Figure 4.17: Does TARDA have a Policy for Motivation and Reward

Source: Research Data (2014)

4.3.3 Management challenges

Under management Challenges, the researcher interrogated the following factors; leadership, management and employee involvement, resources allocation, and budgetary estimates and allocation. 100% of the respondents were of the opinion that these factors posed major obstacles to effective strategy implementation. Research revealed ineffective strategy implementation leadership, poor employee involvement, lack of resources

mobilization strategy for strategy implementation, and that the budgetary process is not linked to strategy. Research findings are presented in Figures 4.18 to 4.26 below.

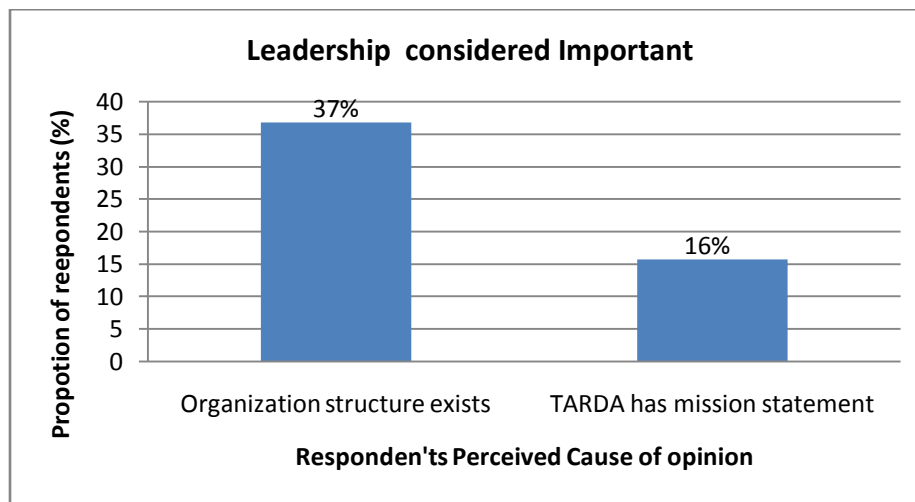


Figure 4.18: Leadership Important for Strategy Implementation

Source: Research Data (2014)

Figure 4.18 above presents the reasons why 43% of respondents were of the opinion that TARDA considers leadership an important factor for successful realization of strategic plan goals and objectives. 37% view the existence of organization structure as evidence of recognition of the importance of leadership by TARDA. While 16% view the Authority's mission statement as an indication of leadership appreciation. It is worth noting that the reasons given do not reflect leadership qualities or style of any specific leader in the organization but rather the respondents' knowledge of structure and mission statements as leadership tools.

47% of respondents were of the opinion that TARDA did not consider leadership an important factor for successful strategy execution. The causes of this view are presented in Figure 4.19 below. 32% of these respondents have their opinion informed by the fact that TARDA does not effectively involve its stakeholders in decision making.

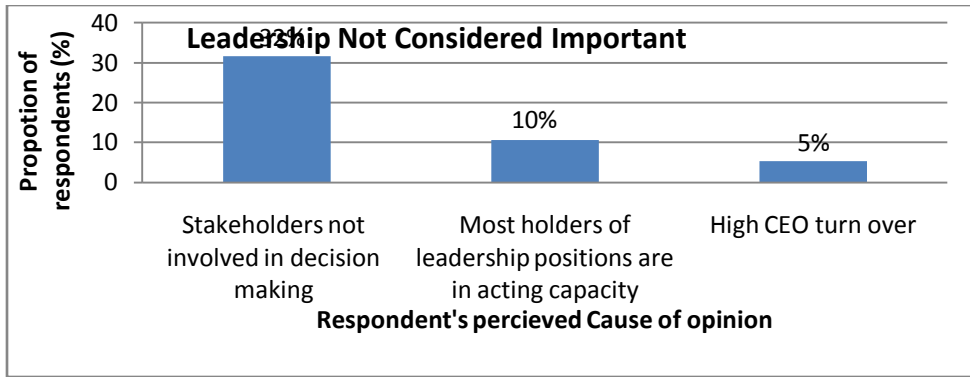


Figure 4.19: Leadership Not Considered Important for Strategy Implementation

Source: Research Data (2014)

Interrogated on whether leadership is a challenge to strategy implementation, 100% of the respondents affirmed it was a big obstacle. Reasons for their view are presented in Figure 4.20 below.

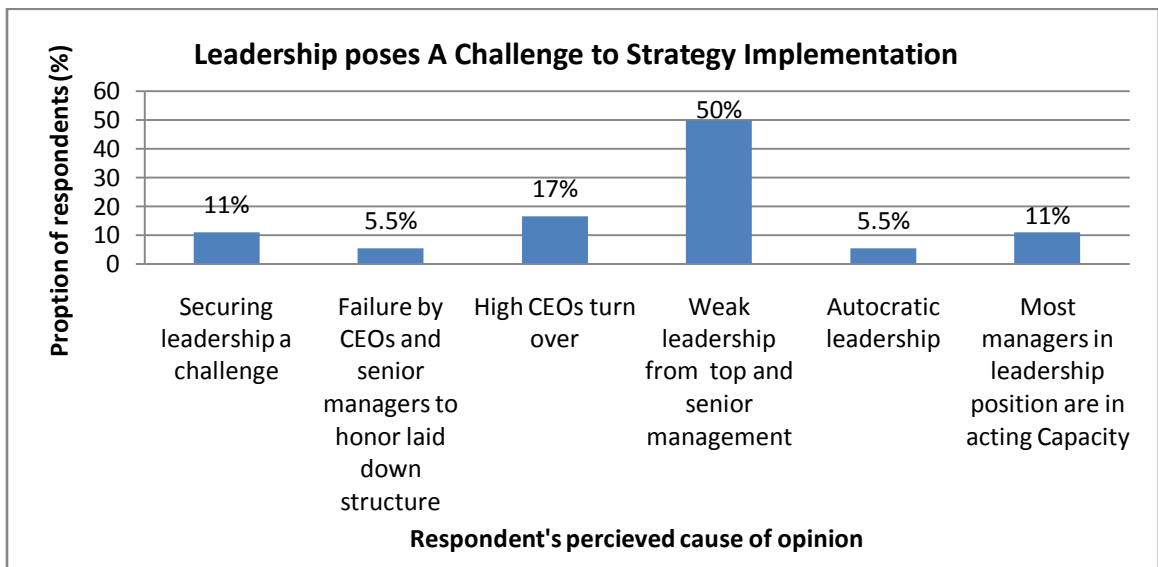


Figure 4.20: Leadership a Challenge to Strategy Implementation

Source: Research Data (2014)

Figure 4.20 presenting the respondents' perceived causes of leadership obstacle to strategy execution in TARDA.

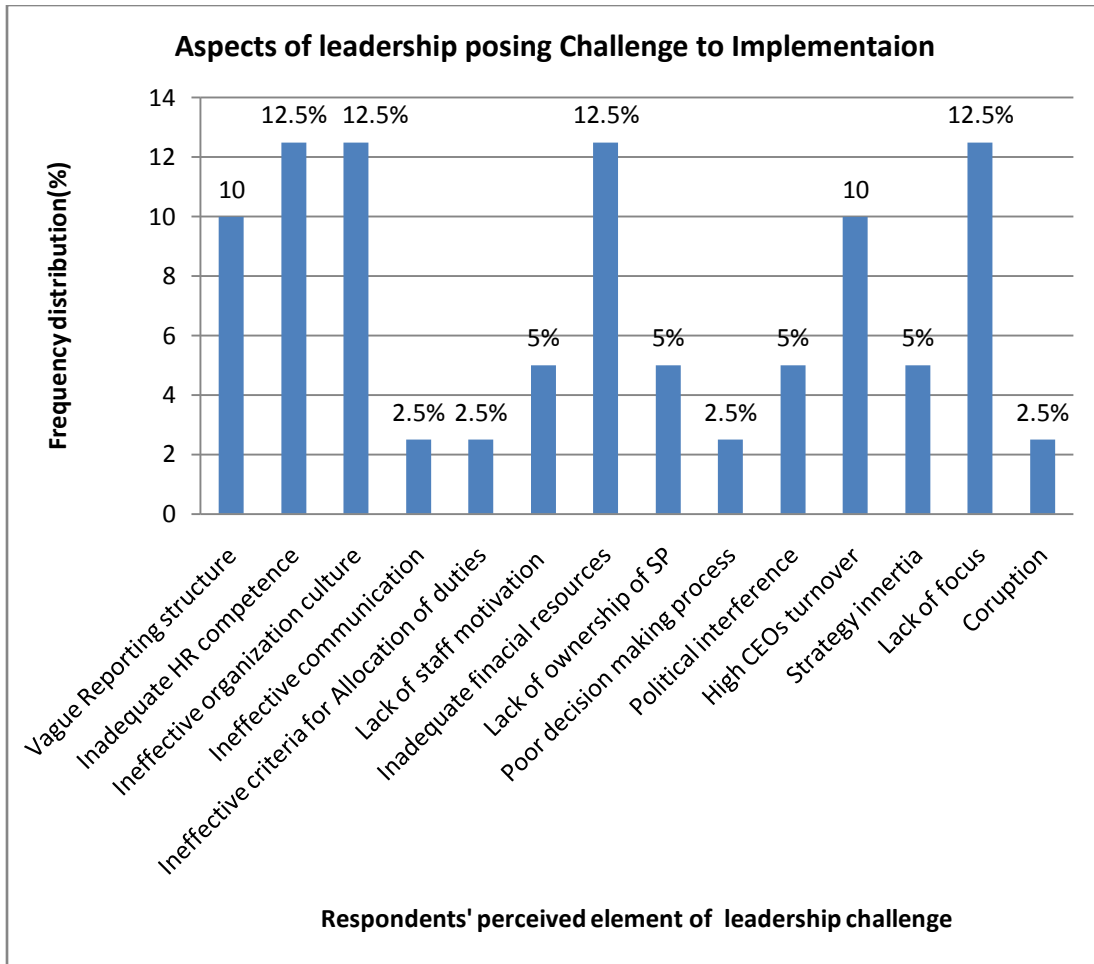


Figure 4.21: Aspects of Leadership Posing Challenges to Strategy Implementation

Source: Research Data (2014)

Figure 4.21 presents the aspects of leadership which respondents felt resulted in leadership becoming an obstacle to strategy implementation. Inadequate human resource capacity, ineffective organization culture, inadequate financial resources, and lack of strategic focus had the highest frequency distribution with 12.5% of the respondents viewing each of them as an execution challenge. The high proportion reflects the perceived magnitude of impediment by each element to strategy implementation.

Respondents were queried on whether the organization views resources as an obstacle to strategy implementation, 100% of the interviewees responded affirmatively. The researcher's opinion during the interviews was that most respondents interpreted resources to mean financial resources. The researcher interpreted this to be an indication of how great an obstacle finances posed to strategy implementation in TARDA. Figure 4.22 below presents the results. 52.6% attributed the cause of this obstacle to dependency on limited exchequer resources whose competition for, by all government arms, is very stiff. One of the respondents, among the 5.3% with the opinion that there is no link between strategic plan and a resource mobilization strategy, argued that TARDA plans using zero budgeting approach resulting in implementation budgets over fifty times more than the average historical exchequer allocation but takes no initiative to develop and aggressively execute a resources mobilization strategy to finance this huge deficiency.

Another 5.3% of respondents stated that emerging issues overrode strategic plan on resource allocation. Their view was that most of the money allocated by treasury goes into addressing these emerging issues which are normally externally driven.

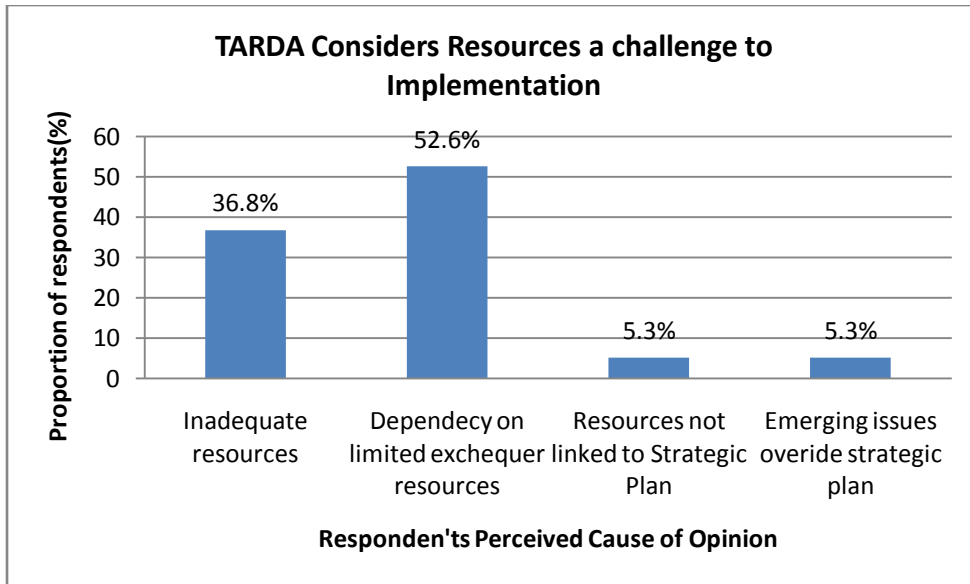


Figure 4.22: Resources Considered a Challenge to Strategy Implementation

Source: Research Data (2014)

Figure 4.22 above presents the aspects of resources which impede strategy implementation in TARDA.

Budgeting and budget allocation processes were investigated to establish their impact on strategy implementation. 100% of the respondents were of the opinion that these processes were a handicap to successful execution of strategy. Interrogated on who was responsible for preparing budgetary estimates, 32% believed the activity was handled purely by the finance department while 68% were of the opinion that finance and departmental heads were responsible for preparing budgetary estimates. The findings are presented in Figure 4.23 below. The research investigated this difference of opinion among the respondents and it emerged that those who had the opinion that the finance department solely handled the process were informed in their opinion by the knowledge that the finance department alters the budgets without reference to departmental heads and their decision is final. 100% of the respondents stated that budgetary allocation is the responsibility of top CEO and finance department.

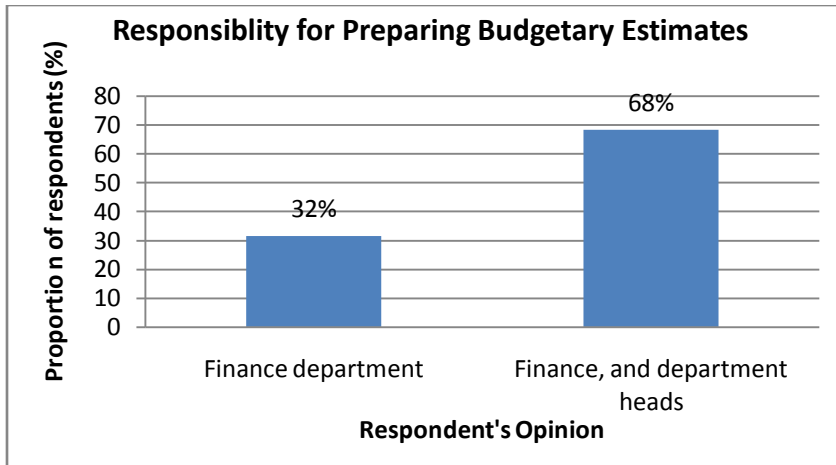


Figure 4.23: Responsibility for preparing Budgetary Estimates

Source: Research Data (2014)

Figure 4.23 presenting results of who is responsible for preparing budgetary estimates.

Inquiry on what informed TARDA budgetary estimates was done. The results are presented in Figure 4.24 below. Only 12% of the respondents directly linked the process to strategic plan. The majority - 32% linked the process to annual work-plans which respondents felt was heavily influenced by emerging externally driven issues like special government programmes and projects. One respondent, respondent number-7 stated that annual expenditure is not strategic but based mainly on incidentals.

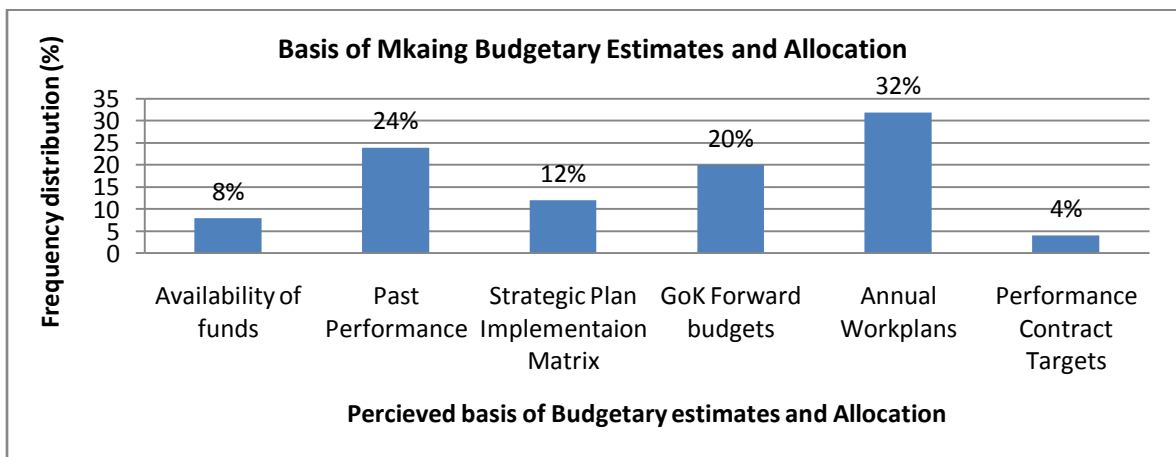


Figure 4.24: Basis for preparing Budgetary Estimates and Allocation

Source: Research Data (2014)

Interrogation on the aspects of budgetary estimates and allocation posing challenges to Strategy Implementation resulted in the presentation on Figure 4.25 below. 59% of respondents pointed to inadequate allocation of funds to activities while the remaining 41% attributed it to expenditure not being strategic but based on incidental (emerging issues).

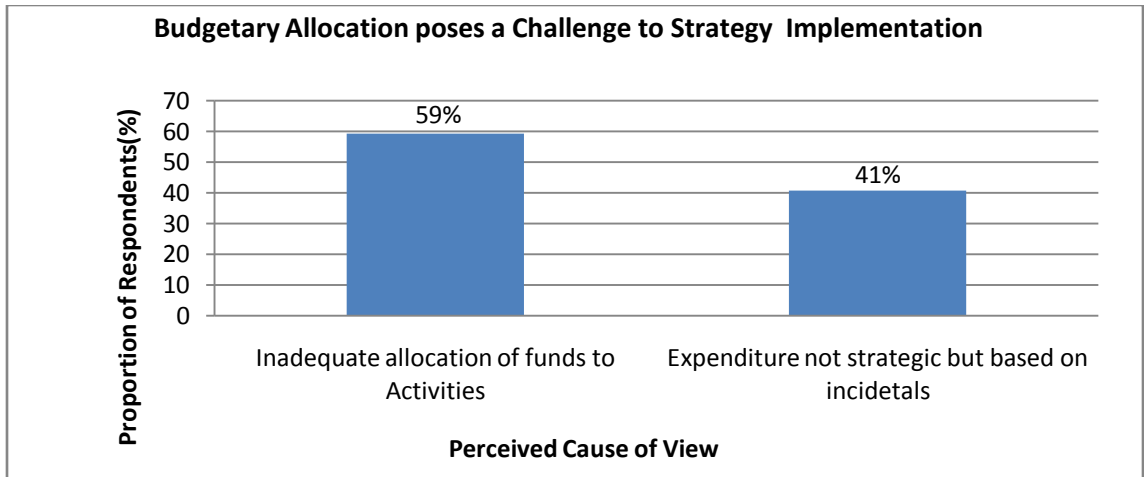


Figure 4.25: Aspects of Budgetary Estimates and Allocation Posing Challenges to Strategy Implementation

Source: Research Data (2014)

Management entails planning, organizing, leading, coordinating and controlling functions. The research results indicate that TARDA has not been doing well in all these functions. 100% of respondents termed the planning process as ineffectively non-participatory. On leadership, 100% of the respondents interrogated affirmed that it was a challenge to strategy implementation. 50% attributed this to weak leadership by senior management. Other reasons referred to high turnover of CEOs and insecurity of tenure as most officers in senior management are on acting capacity (not substantially appointed).

Vague reporting structure, inadequate human resource competence, ineffective communication, ineffective organization culture, ineffective criteria for allocation of duties inter alia were given as aspects of leadership impeding strategy implementation (see Figure 4.21). Inadequate resources, lack of resource mobilization strategy linked to strategic plan and inadequate link of budgetary process to strategy were also identified as strategy execution obstacles. All these obstacles coupled with nonexistence of reward and motivation system point to ineffective execution of the organizing, leading, coordinating and control management functions and hence poor management as an obstacle to strategy implementation.

4.4 Discussions

The study results as present above show that the planning process is ineffectively participatory. It also revealed that TARDA treats planning and implementation as independent functions. This as lead emergent of poorly conceived strategies, Ambitious strategic objectives with no inbuilt, clearly defined means of execution, and the planning process failing to capture and adequately address all implementation issues during planning. This agrees with the findings of sterling (2003) that identified poorly conceived business models as an obstacle to strategy implementation. He states that Sometimes strategies fail because they are simply ill conceived. Beer and Eisenstat (2000) identified unclear strategies and conflicting priorities, Poor vertical communication, Poor coordination across boundaries as “strategy killers”. Mehdi and Bayrami (2010) documented poor planning and ambitious strategies as strategy implementation impeters in Tehran organizations.

The research as also revealed that ineffective leadership, structure, culture, measurement and reward system; inadequate resources, ineffective budgetary estimates and allocation system are all obstacles to successful strategy implementation in the institution. These strategy implementation challenges affecting TARDA are validate by findings from Mehdi and Bayrami (2010) whose research findings showed that leadership, organizational structure, organizational culture, human resources, information systems, and technology affected strategy implementation but their effects rates are different. Beer and Eisenstat (2000) assert that the six key “strategy killers” are: Top-down or laissez-faire senior management style; Unclear strategies and conflicting priorities; Ineffective senior management team; Poor vertical communication, Poor coordination across boundaries; and Inadequate down the line leadership skills.

Locally, the research results are validated by Arumonyang (2009) who did a survey of the challenges facing Regional development Authorities (RDAs) in Kenya. The study identified the following impeding factors inter alia; control by external powers; inadequate resources; inadequate funding and untimely disbursement of resources by Treasury; structure; leadership, planning, politicized internal environment; policies and procedures, and tactical and operational plans. Magambo (2012) studied the challenges of strategy implementation in public corporation in Kenya, The study established that inadequate funds, untimely distribution of funds, political interference, the staff resistance to change and lack of skill was a great challenge to the implementation strategies in the organizations. This study too gives the research results external validity.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the research findings, conclusions, and recommendations based on the objective of the study which was to establish the challenges of strategy implementation in TARDA.

5.2 Summary of Findings

The study established that all the respondents (100%) indicated that TARDA has challenges with its planning process which hinder successful strategy implementation. These are poorly conceived strategies -95% of the respondents, over ambitious objectives with no inbuilt, well defined, and executable means of implementation – 100% of respondents, and lack of capturing and adequately addressing all implementation issues during planning – 95%. These challenges were mainly attributed to a non-participatory planning process, external control, and TARDA treating planning and implementation as two independent functions.

Within organizational challenges, 100% of the respondents indentified organizational structure, culture, and reward and motivation system as key obstacles to strategy execution. Reward and motivation system was viewed non-existent in TARDA leading to highly demotivated staff. Organizational structure is viewed ineffective and an impediment to responsibility and accountability. Results reveal that there is no deliberately inculcated organization culture in TARDA.

Management challenges were investigated too. 100% of the respondents were of the opinion that management poses a challenge to strategy implementation. Key management aspects impeding strategy execution include inter alia; ineffective leadership in strategic management by senior and middle level managers –50 % of respondents, high CEOs turnover – 17% of interviewees, most holders of leadership positions are in acting capacity – 11% , and Non-adherence to organizational structure in allocation of duties, roles and responsibilities – 6%.

Lack of resource mobilization strategy linked to the strategic plan was viewed as the deadliest killer to TARDA's strategic plans implementation budget exceeds anticipated exchequer budgetary allocation by over 50 times. Inadequate funding and untimely release of funds by exchequer was a great challenge to the implementation strategy in the organization too. The process of preparing budgetary estimates and allocation of funds to activities was viewed by 100% of the respondents as another impediment. Budgeting aspects considered non-conducive to effective strategy implementation include inadequate allocation of funds to activities – 59% of respondents, and expenditure not strategic but based on incidental (emerging issues) -41% of respondents.

5.3 Conclusion

The research objectives were; to identify if organizational structure is a challenge hindering TARDA from achieving its strategic objectives, to Identify if management style hinders TARDA from achieving its strategic objectives, to Identify if budgeting and financial resources mobilization are obstacles hindering TARDA from achieving its

strategic objectives, and to Identify if organizational culture hinders TARDA from achieving its strategic objectives

The study results revealed that TARDA's planning process is an impediment to strategy implementation as it is not effectively participatory. As a consequence of non-participatory planning processes all strategy implementation issues are not adequately captured and addressed at planning stage. The research findings further reveal that owing to the wide mandate of TARDA, there is diverse external influence on its operations which results in strategic objectives which are not internally driven and hence lack top management ownership and result in ambitious objectives with no inbuilt, executable means of implementation – “no plan behind the big ideas”.

The researcher induced that TARDA has not cultivated an inspiring, shared, and common vision of its mission. This has lead to its stakeholders (staff) lacking a sense of direction and purpose. The organizational structure is ineffective and a major cause of staff demoralization, and lack of effective responsibility and accountability. That TARDA has no “official” organizational culture. The current culture among staff is not results oriented but driven by short term gains. Inadequate funding from exchequer and untimely disbursement of the allocated funds was a hindrance to the effective implementation of strategy in TARDA, and that the organization does not develop resources mobilization strategy linked to its strategic plan. The researcher concludes that organizational structure, management style, budgeting and financial resources mobilization, and organizational culture are barriers to strategy implementation in TARDA

5.4 Recommendations

The study recommends the following; TARDA needs to own up her mandate/ mission and hence its strategic plan: Develop an internally inspired vision of its purpose and mission which is owned by all its key stakeholders. That TARDA be driven by its internally inspired strategic plan to enable it manage incidental costs. The organization needs to develop a fully integrated, participatory, and dynamic strategic planning and implementation process which involve planners and implementers. Recommend that the organization urgently develop a results oriented organizational structure and a deliberately inculcate “official” organizational culture which drives performance and attainment of goals and objectives rather than short term interests.

The organization needs to cascade, strengthen and empower leadership and decision making down the management hierarchy. Team work and innovation must be encouraged at the expense of functional silos. The organization must develop a resource mobilization strategy to raise resources for implementation of its strategic plan and interdict her high dependency on exchequer. Recommend that the organization urgently put in place an operational and effective motivation, reward and accountability system. It is imperative that the Government of Kenya assign definite mandates to its agencies, end duplication of mandate, and provide sufficient and timely financial resources to enable the agencies effectively deliver on their mandates.

5.5 Limitations of the Study

The following were the limitations of the study

The main limitation was that most of the respondents were very busy due to the fact that they were managers and senior officers of TARDA and hence did not have ample time for the in-depth interview. They prepared self administered questionnaires which they felt they could fill intermittently when time allowed. To address this limitation, the researcher allowed the respondents armful time to fill the questionnaires. It took over a month for the researcher to get back the questionnaires. The long duration coupled with the intermittent filling could have lead to respondents missing the flow of the questions and hence the logical synergy the researcher wanted to create in order to capture the respondents' honest views and opinions. The time allocated by the respondents for in-depth interviews was rather short. Thus the researcher didn't get armful time to deeply interrogate answers given by some interviewees. This limitation however, could have been mitigated by the self administered questionnaire which was detailed enough to capture all aspects.

5.6 Suggestions for Further Research

The researcher recommends further research on the following areas to inform this research work further: A case study of leadership in TARDA to explore the traits, competences and capabilities of its MDs and how these factors affected the fate of the institution in realizing its founder's mission and vision. A research targeting all public corporations to establish whether parastatals are "learning institutions" and if this factor is reflected in their performance.

This research findings reveal that successful strategy implementation in TARDA is highly dependent in Exchequer, emerging and changing government development and

social priorities and political influences. The researcher recommends research on how the ideology, organization, and culture of government affect the performance of its agencies?

5.7 Implications of the Study

The study findings has revealedThe policy makers and management in TARDA may use the findings and recommendations of the study to improve the organizational leadership, and the organization's planning and implementation processes thus enhancing its strategic management and consequently conquering strategy implementation challenges. The management of other public corporations may put into use the recommendations by the researcher thereby enhance the implementation of strategic management in their respective corporations.

The government of Kenya may adopt the recommendation in this report and shape its agencies into responsible, accountable, efficient and effective institutions delivering services to Kenyans. The study has highlighted gaps which other researchers may use to carry out further research in the areas of strategic management in public corporations.

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APPENDICES

Appendix I: Questionnaire / Interview Guide

SECTION 1: GENERAL INFORMATION

1. Name of the respondent (optional).....
2. Gender
3. Age
4. Level of Education.....
5. How long have you worked for TARDA?
6. Present Designation.....
7. How long have you been in your current position?
8. Does the organization apply strategic Planning?.....

SECTION 2: CHALLENGES FACING IMPLEMENTATION OF STRATEGIC PLANS

9. Strategic Management has been globally embraced as the panacea for organizations struggling to succeed in their missions' in the complex, turbulent, uncertain, and competitive global business arena of modern times. However research has confirmed that many organizations are unable to successfully implement their strategic plans with the consequence that the panacea has too often failed to deliver its promised results.

A lot of research work has been done by practitioners, academicians, theorist and other professionals in field of strategic management to address the challenges to strategy implementation faced by organizations with a view to closing the implementation success gap- which research averages to be about 30 percent currently.

Listed here below are some of the common major strategy killers, identified globally by researchers, formulated as research questions. Kindly respond to them to enable the researcher evaluate their impact on TARDA.

9.1 CHALLENGES RELATED TO THE PLANNING PROCESS

- i. Has TARDA experienced any implementation impediment owing to a bad strategy (poorly conceived business models, or means of actualizing a strategic

decision)?.....
.....
.....
.....

ii. In your opinion has TARDA ever encountered the obstacle of “Ambitious strategic initiatives with no in-built, clearly defined, and executable means of achieving them (No plan behind the big Idea)? Please explain your answer
.....
.....
.....

iii. In your opinion has TARDA ever been hindered from achieving its strategic initiatives owing to failure to capture and adequately address all implementation issues at the planning stage?
.....
.....

9.2 ORGANIZATION CHALLENGES

A. Structural Challenges

- i. State whether TARDA considers organizational structure an important factor to successful strategy implementation.....
.....
- ii. Is the organization structure a challenge at TARDA?.....
.....
- iii. What aspects of the organization’s structure pose challenges if any?.....
.....

B. Cultural Challenges

- i. Kindly state what in your opinion is TARDA’s organizational culture.....
.....
- ii. Does TARDA consider organization culture an important factor in strategy implementation?.....
.....
- iii. Is culture a challenge in strategy implementation at TARDA?.....
.....

C. Reward and Motivation Challenges.

- i. Does TARDA have policies and procedures on employee reward and motivation systems?.....
- ii. If the answer is yes, do you consider TARDA reward and motivation system a challenge/problem to strategy implementation?.....
- iii. If the answer to C (ii)above is affirmative then state what problems or challenges were faced in strategy implementation.....
.....
.....

9.3 MANAGEMENT CHALLENGES

A. Leadership

- i. State whether TARDA considers leadership an important aspect of strategy implementation. If yes why do you say so?.....
.....
- ii. Is leadership a problem/challenge to strategy implementation at TARDA?.....
.....

What aspects of leadership are considered a challenge/problem in implementing your strategic plans?.....
.....
.....
.....

B. Resource Allocation

- i. Does TARDA consider resource allocation an important aspect of strategy implementation?.....
.....
- ii. Does TARDA consider resource allocation a challenge to strategy implementation?.....
.....

What aspects of resource allocation were considered a challenge/problem in strategy implementation?.....
.....
.....

C. Management and Employee Involvement

Who prepares the strategic plans in TARDA?.....
.....
.....

Are employees at all levels involved in the preparation of TARDA strategic plans? Is the process participatory?.....

.....
.....

i. Does the approach of preparing the strategic plans pose a problem/challenge to the implementation? If yes explain the challenges faced?.....

.....
.....

D. Budgetary Allocation

Who is responsible for preparing the budgetary estimates and who determine show the funds should be allocated?.....

.....
What is the basis of making the budgetary allocations or estimates?.....

.....
Does TARDA consider the budgetary allocation process as an important aspect in strategy implementation?.....

.....
Do the final budgetary allocations pose a challenge/problem in strategy implementation? Please explain.....

.....