STRATEGY IMPLEMENTATION AT CHASE BANK, KENYA

BY

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DECLARATION

I hereby declare that this is my original work and has not been submitted for any award at any other institution.

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DEDICATION

I wish to dedicate this project to my family and in particular my wife Beth Ndei for the encouragement and support.
ACKNOWLEDGEMENT
Special thanks to my supervisor Mr. Jeremiah Kagwe for his advice, direction and encouragement throughout the project.

To my spouse Beth Ndei for her support and patience throughout my Master of Business Administration programme. Thank you for your prayers.

To my classmates George, Mercy, Amos and others for their support throughout the project.
ABSTRACT

The main aim of the project was to investigate strategic planning in Chase Bank, Kenya. The findings of this study may be key to other financial institutions and other corporations at large in providing additional knowledge in strategic planning practices adopted to improve competitiveness. The research design that was used in this study was a case study, aimed at establishing strategic planning practices in Chase Bank, Kenya. The target respondents where heads of departments in Chase Bank mainly the human resources director, the chief finance officer, the corporate banking director, the country head of treasury, the acting consumer banking director and the chief operating officer. The research found that the bank faces the challenge of strategy implementation time being underestimated in and thus most of the implementers have a deadline that is merely an approximation due to the occurrence of unexpected developments and also delays by external business partners in providing the expected support in time. The study also found that strategy implementation encompasses of requesting, determining, attainability, planning, implementing and evaluation of changes to a system at Chase Bank. The study concluded that Chase Bank had a formal strategic plan and had well documented mission and vision statements. The study established that this had a positive impact in chase bank’s profitability. The study recommends that banks and other financial institutions employ strategic planning as a guide towards charting their path to profitability.
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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategy implementation is building an organization capable of carrying out the strategy successfully. Strategic formulation includes the setting of the mission, goals and objectives for the organization, the analysis of the external environment as it affects the organization, together with its internal resources and the choice of strategic alternatives (Thompson and Strickland, 2003). Kaplan and Norton (2001) see the ability to execute the strategy as an even bigger management challenge than determining the right vision and the quality of the strategy itself. They point to the importance of adequate performance management systems as a critical success factor for implementing strategies.

More and more companies are acknowledging that performance measurement systems need a focus, by linking them to the strategy of the organization. Many academicians and performance management consultants see a solution in new performance measurement systems. These initiatives perhaps seem to be attractive but there is still a lack of integration.

According to Alexander (1985), strategy implementation challenges include underestimating the time needed for implementation and major problems surfacing that had not been anticipated. Reed and Buckley (1988) discuss problems associated with strategy implementation identifying four key areas for discussion. The challenge implementation of strategies as they are dominated by monetary based measures and due
to their size and the game playing associated budget setting. Another problem is when management style is not appropriate for the strategy being implemented.

Chase Bank’s strategy is to strengthen its position in the SME market in Kenya and develop its retail footprint with the development of regional agencies and new branches, said a statement from the bank. The bank added that the new partnership fits well with Amethis strategy which is to support mid-size fast growing local companies, targeting institutionalisation and regional expansion. Chase Bank is forced to seek alternative funding methods to boost its cash position to be in tandem with its rapid growth in line with banking regulations of capital adequacy ratio. One of the initiatives has been partnering with development finance institutions for debt and equity. The overall goal is to boost our capital to meet regulatory requirement but also to take the bank’s expansion and growth strategy to the next level.

1.1.1 Strategy Implementation

Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve its set objectives. Implementation is defined as the phase in which systems and procedures are put in place to collect and process the data that enable the measurements to be made regularly (Drazin and Howard, 2002). This process includes the various management activities that are necessary to put strategy in motion, institute strategic controls that monitor progress, and ultimately achieve organizational goals. According to Raps and Kauffman (2005), the implementation process covers the entire managerial activities including such matters as motivation, compensation, management
appraisal and control processes which entail cascading strategy to all functional areas in such a way as to achieve both vertical and horizontal logic and enhance implementation of policies.

The challenges of strategy implementation are illustrated by the unsatisfying low success rate (only 10 to 30 percent) of intended strategies (Raps and Kauffman, 2005). The primary objectives are somehow dissipated as the strategy moves into implementation and the initial momentum is lost before the expected benefits are realized. Successful implementation is a challenge that demands patience, stamina and energy from the involved managers. The key to success is an integrative view of the implementation process (Raps and Kauffman, 2005). Awino (2001) identified four challenges areas affecting successful strategy implementation. He cited lack of fit between strategy and structure; inadequate information and communication systems; and failure to impart new skills. He identified most challenges as concerning connecting strategy formulation to implementation; resource allocation; match between structure with strategy; linking performance and pay to strategies; and creating a strategy supportive culture.

The successful management of strategy implementation requires thoughtful planning on the part of change leaders and the involvement of those to be affected by it. A common challenge to strategy implementation is resistance from those who feel that the implementation is being forced on them. According to Chapman (2005), introducing change in an environment characterised by such resistance renders the change hardly achievable. This is because a change in the ‘status quo’ normally creates some
apprehension on the part of those who have not fully appreciated the change outcomes and their implications. Strategy implementation scholars have argued that this resistance is sometimes driven by factors other than the change itself, including the anxiety regarding expected outcomes. In this respect, resistance is merely an indicator of underlying challenges which need to be addressed by implementations leaders. Management can use the nature of the resistance as an indicator of the underlying problems rather than inhibiting it at once (Burnes, 1998). Such challenges include communication (the language of change), skepticism by stakeholders based on previous experience with failed change programs, an unsupportive organizational culture and ineffective change agents.

1.1.2 The Banking Industry in Kenya

The Banking industry in Kenya is governed by the Companies Act, the Banking Act, the Central Bank of Kenya Act and the various prudential guidelines issued by the Central Bank of Kenya (CBK). The banking sector was liberalized in 1995 and exchange controls lifted. The CBK, which falls under the Minister for Finance docket, is responsible for formulating and implementing monetary policy and fostering the liquidity, solvency and proper functioning of the financial system. As at 31st December 2011 there were forty six banking and non-bank institutions, fifteen micro finance institutions and one hundred and nine foreign exchange bureaus. The locally owned financial institutions comprise 3 banks with significant government shareholding and 28 privately owned commercial banks. The foreign owned financial institutions comprised 8 locally incorporated foreign banks and 4 branches of foreign incorporated banks. Of the 42 private banking institutions in the
sector, 71% are locally owned and the remaining 29% are foreign owned (Central Bank of Kenya, 2011).

Players in this sector have experienced increased competition over the last few years resulting from increased innovations among the players and new entrants into the market. The Central bank of Kenya oversees the operations of all commercial banks. During the on-site inspections all risks are evaluated and necessary remedial actions are recommended. The banks have come together under the Kenya Bankers Association (KBA), which serves as a lobby for the banking sector’s interests. In the banking industry the subsidiaries quest for survival implies the development of its own strategy within the limits imposed by the Multinationals. If operational activities, such as agent banking, are subject to delocalization upheavals, subsidiaries that play a strategic role within the Multinationals may appear harder to be relocated, given their contribution to the overall Multinationals performance (Jarillo and Martínez, 2000).

1.1.3 Chase Bank

Chase Bank is a privately owned bank incorporated in Kenya in 1996. Chase Bank are a conventional one stop financial institution with a focus on the SME Market. In addition, Chase Bank has an Islamic window branded Chase IMAN which was introduced in May 2009 and it was licensed and approved by the Central Bank of Kenya as well as the bank competent Shariah Advisory Board. Through the identification of unique and profitable segments such as the SME market which has been directly responsible for the increase in country’s GDP, the Bank has positioned itself as the preferred SME Bank. We have
uniquely tailored products to suit the needs of SMEs in the country to ensure that they benefit from the varied financing options (http://www.chasebankkenya.co.ke).

The Bank has established partnerships with the aim of capacity building for entrepreneurs and increasing their knowledge in book keeping. Chase Bank focus is to continually deliver a unique banking experience modelled around a one stop financial solutions product offering. Through this, the bank will ensure that the customers financial needs are all met under one roof.

Chase Bank objective is to provide the client with exceptional service through product diversification, and relationship creation. Today the intricate branch expansion strategy has seen us grow from a one branch bank into a strong institution that now has branches located in strategic urban and peri-urban centers within the country. Chase Bank Branches are located in five major towns mainly Nairobi, Nakuru, Mombasa, Kisumu, Eldoret, Malindi and Thika (http://www.chasebankkenya.co.ke).

1.2 Research Problem

Strategy implementation has attracted much less attention in strategic and organizational research than strategy formulation or strategic planning. Alexander (1985) suggests several reasons for this: strategy implementation is less glamorous than strategy formulation, people overlook it because of a belief that anyone can do it, people are not exactly sure what it includes and where it begins and ends. Strategy implementation should be taken in to account and the most reliable way to get the best information is to
include the largest possible number of the organization’s members into the discussion. This brings us to the third factor proposed by the authors, which tells us that the change process should develop a partnership among all relevant stakeholders (Drazin and Howard, 2002).

The major problems present in strategy implementation are: the implementation taking more time than allocated, unanticipated, major problems surfacing during implementation, poor coordination, competing activities, lacking competencies, etc. speak of a poor fit between human resources and the organizations structure and systems as well as poor vertical communication in both directions (Hambrick and Cannella, 2003). Physical distances hindering the necessary, cross-functional collaboration in the organization form physical barriers. Personality barriers reflect the personal characteristics of key personnel, as well as between different groups in the organization's hierarchy. Another important barrier is that of varied goals amidst the organization and its units. Noble’s perspective, therefore, is that of the organization as consisting of different units and functional groups. His novel contribution to the discussion of effective implementation is that for effective implementation the strategist must create unofficial communication networks (Noble, 1999).

Chase Bank strategy is on exceptional customer service and building strong relationships. This strategy permeates all sectors of the business from the vision to how they treat their customers and staff. The bank structure helps in responsive, to the customers and as an institution, as they continue to grow, innovation and responsiveness to their customers'.
Through effective leadership, Chase Bank will continuously strive to create a great working environment where the employees' personal goals are aligned to those of the organization and everyone wins. The bank's shareholders have shown their commitment with regular injections of fresh funds. Chase Bank clientele's continued custom and good faith have bolstered our deposit volumes. And not least are our own people who have remained dedicated as we strive to make a difference. The executive team has long experience both in banking and the wider financial industry. The bank's policy is to blend young, academically successful university graduates and qualified accountants with more experienced professionals to create the perfect complement which will take Chase's client relationships forward into the next decades (http://www.chasebankkenya.co.ke).

Studies have been done on the challenges of strategy implementation. For instance, Arumonyang (2009), Patrick (2009), Njoki (2009), Merikol (2010), did on strategy implementation and found that organization should develop, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and a better performance. Aosa, (1992) on an empirical investigation of aspects of strategy formulation and implementation within large, private manufacturing companies in Kenya and Awino, (2002) did study on purchasing and supply chain strategy and found that strategy implementation is not possible unless there is stability between strategy and each organizational dimension such as organizational structure, reward structure, resource-allocation process. An independent conceptual study paper in strategic management, school of business, University of Nairobi. This study therefore seeks to fill in this gap by investigating the strategy implementation and its
challenges in a Kenyan public corporation with specific reference to Chase Bank. What are the challenges facing the Chase Bank in strategy implementation and what are the measures taken in coping the challenges?

1.3 Research Objective

The objectives of the this study were

i) To identify challenges of strategy implementation at Chase Bank

ii) To identify measures taken by Chase Bank to deal with strategy implementation challenges

1.4 Value of the Study

Findings of the study will particularly be useful in Chase Bank but also not to other managers in other sectors. It would help them understand the challenges of strategy implementation and how to overcome them, it helps different firms achieve success better than others.

The findings of this study will help in enlightening the key decision makers in Chase Bank in policies formulation and on how to successfully implement their strategies and how they could purpose to mitigate the challenges facing it. The study will in addition to the above, be useful to stakeholders, financiers, and investors in formulating and planning areas of intervention and support.
Finally, the study will provide additional knowledge to existing and future institutions on challenges to strategy implementation and provide information to potential and current scholars on strategic management in Kenya. This will expand their knowledge on strategy implementation and also identify areas of further study. The study will be a source of reference material for future researchers on other related topics; it will also help other academicians who undertake the same topic in their studies. The study will also highlight other important relationships that require further research; this may be in the areas of relationships between successful strategy implementation and firm’s performance.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter summarizes the information from other researchers who have carried out their research in the same field of study. The specific areas covered here are strategy implementation, challenges of strategy implementation and strategies in overcoming the challenges of strategy implementation (commitment of top management, involve middle manager’s valuable knowledge, communication, integrative point of view, clear assignment of responsibilities, preventive measures against change barriers, emphasize teamwork activities, respect the individuals’ different characters, supportive implementation instruments and calculate buffer time for unexpected incidents).

2.2 Concept of Strategy

Strategy can be defined as the direction and scope of an organization that ideally matches the results of its changing environment and in particular its markets and customers so as to meet stakeholder expectation (Johnson and Scholes, 2002). According to Greenley (2006), strategy is a unified and integrated plan that relates the strategic advantages of the firm to the challenges of the environment and that is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization.

There is no single universally accepted definition of strategy. Different authors and managers use the term differently (Mintzberg, 1993). Quinn (1980) defines strategy as the pattern or plan that integrates an organization’s major goals, policies and action
sequences into a cohesive whole. He goes further to state that a well formulated strategy helps to marshal and allocate an organization’s resources into a unique and viable posture based on its relative internal competencies and shortcomings, anticipated changes in the environment and contingent moves by intelligent opponents.

Strategy can be formulated on three different levels, namely: corporate, business unit and operational level. While strategy may be about competing and surviving as a firm, one can argue that products and not organizations compete. Products are developed by the business units. The role of the organization then is to manage its business units and products so that each is competitive and so that each contributes to the organization’s purposes (Porter, 1980).

The purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment (Pearce and Robinson, 2007). Mintzberg (2003) perceive strategy as a pattern or a plan that integrates organization’s major goals, policies and action into a cohesive whole. Porter (2004) has defined strategy as a creation of a unique and vulnerable position of tradeoffs in competing, involving a set of activities that neatly fit together, that are simply consistent, reinforce each other and ensure optimization of effort. Pearce and Robinson (2007) define strategy as the company’s “game plan” which results in future oriented plans interacting with the competitive environment to achieve the company’s objectives. This definition of strategy is important in this study as it
reflects competitiveness in the environment and the game plan aspects, which organizations put into place to be able to compete effectively.

Strategy helps to position a firm in the wider external environment. It also defines the obligation of the firm to its stakeholders (Johnson and Scholes, 1999). Strategy helps to define the specific business of the firm in terms of products, markets and geographical scope. Strategy can also be considered as a firm’s game plan that enables the firm to create competitive advantage (Pearce and Robinson, 2000). The firm needs to look at itself in terms of what the competitions are doing. This is critical because firms in the same industry tend to compete for the same customers. Ansoff and Mc Donnell (1990) define strategy as a set of decision making rules for guidance of organizational behavior. This strategy is used as a yardstick to measure firm’s performance and to define its relationship with the external environment. Strategy needs to take into consideration both the immediate and remote environments.

There is no single exhaustive definition of strategy. What emerges, however, is that strategy is defined by how a firm relates to its environment. This has to take into account the internal capabilities of the firm which defines the firm’s competitive advantage. The success or failure of a firm’s strategy will depend on skillful formulation and effective implementation. However, all successful strategies have some common elements. They are based on simple consistent and long term objectives. They are also based on a profound understanding of the competitive environment and objective appraisal of available resources (Cox and Britain, 2000).
2.3 Strategy Implementation

Strategy implementation has attracted much less attention in strategic and organizational research than strategy formulation or strategic planning. Alexander (1985) suggests several reasons for this: strategy implementation is less glamorous than strategy formulation, people overlook it because of a belief that anyone can do it, people are not exactly sure what it includes and where it begins and ends. Furthermore, there are only a limited number of conceptual models of strategy implementation. In the world of management, increasing numbers of senior people are recognizing that one of the key routes to improved business performance is better implementation (Renaissance Solutions Ltd, 1996). However, at the same time, it is also understood that implementation is one of the more difficult business challenges facing today’s managers (Pfeffer, 1996). Within this, management ability, or competence, is seen as an important contributor to achieving this aim (Boyatzis, 1982).

Implementing strategies successfully is about matching the planned and the realizing strategies, which together aim at reaching the organizational vision. The components of strategy implementation – communication, interpretation, adoption and action – are not necessarily successive and they cannot be detached from one another. Okumus (2003) observe that “despite the importance of the strategic execution process, far more research has been carried out into strategy formulation rather than into strategy implementation”, while Alexander concludes that literature is dominated by a focus on long range planning and strategy “content” rather than the actual implementation of strategies, on which “little is written or researched ”(Alexander, 1985) Reasons put forward for this apparent dearth
of research effort include that the field of strategy implementation is considered to be less “glamorous” as a subject area, and that researchers often underestimate the difficulties involved in investigating such a topic – especially as it is thought to be fundamentally lacking in conceptual models (Alexander, 1985). More “practical” problems associated with the process of strategy implementation, meanwhile, include communication difficulties and “low” middle management skill levels (Otley, 1999).

2.4 Strategy Implementation Practices

Strategic implementation is concerned with effecting the chosen strategy for the organization, that is, putting the strategy into practice. Strategic implementation always involves a degree of change and the effective management of change can significantly affect the successful implementation of the desired strategy (Alexander, 1985). Strategic evaluation is the less-researched part of the strategy process but it is vital in assessing the level of success of the chosen strategy. It is not only concerned with performance and performance measures but also helps to signal when the strategy requires adjustment in the light of experience and in the context of a rapidly changing external environment, as strategy is a continuous process rather than a single event (Pearce and Robinson, 1985).

According to Bresser and Bishop (2003), Strategy implementation practice is the product of the best minds inside and outside the corporation. The practices considers future implications of current decisions, adjusts plans to the emerging business environment, manages the business analytically, and links, directs, and controls complex enterprises through a practical, working management system. Strategy implementation practice
involves formulation of vision and mission statement, performance of situational analysis and finally strategy implementation and choice (Pearce and Robbinson, 2008).

Strategy implementation determine the organizational relations to its external environment, encompass the entire organization, depend on input from all of the functional areas in the organization and have a direct influence on the administrative and operational activities and are vitally important to the long term health of an organization (Shirley, 1982). Although Strategy implementation is important, what is more important is how it is practiced in different organizations. Many organizations keep on redefining their mission and vision statements, organize seminars and include consultants to formulate strategies so as to achieve competitive advantage and be able to deal with the unexpected environmental changes. Strategy implementation practices is important as it leads to customer focus, quality management, technology strategies, research and development, production operation strategy, human resources strategies and financial strategies, performance of the organization of the organization achievement must be supported by strategic decisions.

2.5 Challenges of Strategy Implementation

According to Alexander (1985), the ten most frequently occurring strategy implementation problems include underestimating the time needed for implementation and major problems surfacing that had not been anticipated, in addition uncontrollable factors in the external environment had an adverse impact. Reed and Buckley (1988) discuss problems associated with strategy implementation identifying four key areas for
discussion. They acknowledge the challenge and the need for a clear fit between strategy and structure and claim the debate about which comes first is irrelevant providing there is congruence in the context of the operating environment. They warn that, although budgeting systems are a powerful tool for communication, they have limited use in the implementation of strategies as they are dominated by monetary based measures and due to their size and the game playing associated budget setting “it is possible for the planning intent of any resource redistribution to be ignored” (Reed and Buckley, 1988). Another problem is when management style is not appropriate for the strategy being implemented, they cite the example of the “entrepreneurial risk taker may be an ideal candidate for a strategy involving growth, but may be wholly inappropriate for retrenchment” (Reed and Buckley, 1988).

Insufficiency funds is another common strategy implementation challenge. This may be as a result of lack of resources which include financial and human or indivisibility of resources. Established organizations may experience changes in the business environment that can make a large part of their resource base redundant resources, which may be unable to free sufficient funds to invest in the new resources that are needed and their cost base will be too high (Johnson and Scholes, 2002).

Changes do not implement themselves and it is only people that make them happen (Bryson, 2005). Selecting people for the key positions by putting a strong management team with the right personal chemistry and mix of skills is one of the first strategy implementation steps (Thompson and Strickland, 2003). They point out that assembling a
capable team is one of the cornerstones of the organization-building task. Strategy implementation must determine the kind of core management team they need to execute the strategy and then find the right people to fill each slot. Staffing issues can involve new people with skills (Hunger and Wheelen, 2005). Bryson (2005) observes that people’s intellect creativity, skills, experience and commitment are necessary towards effective implementation. However selecting able people for key positions remains a challenge to many organizations.

Whilst the strategy should be chosen in a way that it fits the organization structure the process of matching structure to strategy is complex (Bryson, 2005). The structure that served the organization well at a certain size may no longer be appropriate for its new or planned size. The existing structure and processes in the organization support in different ways, there is likely to be problems should the existing structures be used to implement the changes (Meldrum and Atkinson, 1998). The current structures may as well distort and dilute the intended strategy to the point where no discernible change takes place. According to McCarthy (1986), creating that structure for managers is the selection of the organization structure and controls that will implement the chosen strategies effectively.

Cultural impact under estimation is yet another challenge to strategy implementation. The implementation of a strategy often encounters rough going because of deep rooted cultural biases. This causes resistance to implementation of new strategies especially in organizations with defensive cultures. This is because they see changes as threatening and tend to favor “continuity” and “security” (Wang, 2000). It is the strategy maker’s responsibility to choose a strategy that is compatible with the “sacred” or unchangeable
parts of prevailing corporate culture. Creating an organization’s culture, which is fully harmonized with implementation plan, offers a strong challenge to the strategy implementation leadership abilities. Aosa (1992) observes that lack of compatibility between strategy and culture can lead to high organizational resistance to change and demotivation, which can in turn frustrate the strategy implementation.

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

Before any strategy can be implemented, it must be clearly understood. Clear understanding of a strategy gives purpose to the activities of each employee and allows linking whatever task is at hand to the overall organizational direction (Byars, 1996). Lack of understanding of a strategy is one of the obstacles of strategy implementation (Aaltonen and Ikavalko, 2001). They point out that many organizational members typically recognize strategic issues as important and also understand their context in generic terms.
Studies by Okumus (2003) found that the main barriers to the implementation of strategies include lack of coordination and support from other levels of management and resistance from lower levels and lack of or poor planning activities. Meldrum an Atkinson (1998) lists out a number of implementation pitfalls such as isolation, lack of stakeholder commitment, strategic, drift, strategic dilution, strategic isolation, failure to understand progress, initiative fatigue, impatience, and not celebrating success. Sterling (2003) identified reasons why strategies fail as unanticipated market changes; lack of senior management support; effective competitor responses to strategy application of insufficient resources; failure of buy in, understanding, and/or communication; timeliness and distinctiveness; lack of focus; and bad strategy poorly conceived business models.

2.6 Measures to Deal with Strategy Implementation Challenges

The strategy implementation process normally requires much more energy and time than the mere formulation of the strategy. A creative chaos can be advantageous for the formulation phase whereas the more administrative strategy implementation phase demands discipline, planning, motivation and controlling processes (Alexander 1985).

The second most important thing to understand is that strategy implementation is not a top-down-approach. The success of any implementation effort depends on the level of involvement of middle managers. To generate the required acceptance for the implementation as a whole, the affected middle managers’ knowledge (which is often underestimated) must already be accounted for in the formulation of the strategy. Then, by making sure that these managers are a part of the strategy process, their motivation
towards the project will increase and they will see themselves as an important part in the process (Tavakoli and Perks 2001).

Communication aspects should be emphasized in the implementation process seems to be a very simple one. Even though studies point out that communication is a key success factor within strategy implementation (Miniace and Falter, 1996), communicating with employees concerning issues related to the strategy implementation is frequently delayed until the changes have already crystallized.

Traditional strategy implementation concepts generally over-emphasize the structural aspects and reduce the whole effort down to an organizational exercise. It is dangerous, however, when implementing a new strategy, to ignore the other existing components. Strategy implementation requires an integrative point of view. Not only the organizational structure, but cultural aspects and the human resources perspective are to be considered as well. An implementation effort is ideally a boundary less set of activities and does not concentrate on implications of only one component, e.g. the organizational structure (Aaltonen and Ikavalko, 2001).

Teamwork plays an important role within the process of strategy implementation. When it comes down to implementation activities, however, it is often forgotten. It is indisputable, that teams can play an important part to promote the implementation (Drazin and Howard, 1984). To build up effective teams within strategy implementation the Myers-Briggs typology can be useful to ascertain person-to-person differences.
Differences in personality can result in serious inconsistencies in how strategies are understood and acted on. Recognizing different personality types and learning how to handle them effectively is a skill that can be taught.

To facilitate the implementation in general implementation instruments should be applied to support the processes adequately. Two implementation instruments are the balanced scorecard and supportive software solutions. The balanced scorecard is a popular and prevalent management system that considers financial as well as non-financial measures. It provides a functionality to translate a company’s strategic objectives into a coherent set of performance measures (Kaplan and Norton, 1993). When it comes to meeting the criteria of a strategy implementation instrument, there is an excellent fit. The individual character of each balanced scorecard assures that the company’s strategic objectives are linked to adequate operative measures. As a consequence, it provides even more than a controlling instrument for the implementation process. It is a comprehensive management system, which can support the steering of the implementation process.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology that was used in the study. It focuses on the research design, data collection and data analysis.

3.2 Research Paradigm

According to Taylor, Kermode, and Roberts (2007), a paradigm is “a broad view or perspective of something”. Additionally, Weaver and Olson’s (2006,) definition of paradigm reveals how research could be affected and guided by a certain paradigm by stating, “paradigms are patterns of beliefs and practices that regulate inquiry within a discipline by providing lenses, frames and processes through which investigation is accomplished”. Therefore, to clarify the researcher’s structure of inquiry and methodological choices, an exploration of the paradigm adopted for this study will be discussed prior to any discussion about the specific methodologies utilized in this study.

The quantitative methodology shares its philosophical foundation with the positivist paradigm. The positivist paradigm arose from the philosophy identified as logical positivism and is based on rigid rules of logic and measurement, truth, absolute principles and prediction. The positivist philosophy argues that there is one objective reality. Therefore, as a consequence, valid research is demonstrated only by the degree of proof that can be corresponded to the phenomena. In this study, such rigid principles lend themselves more to the scientific forensic aspects such as scientific knowledge,
logic and measurement incorporated into this study. The qualitative methodology shares its philosophical foundation with the interpretive paradigm which supports the view that there are many truths and multiple realities. This type of paradigm focuses the holistic perspective of the person and environment which is more congruent on investigate the strategy implementation in Chase Bank

3.3 Research Design

This was a case study. A case study is an in-depth investigation of an individual, institution or phenomenon (Mugenda and Mugenda, 2003). The primary purpose of a case study is to determine factors and relationships among the factors that have resulted in the behaviour under study. Since this study seeks to investigate the strategy implementation in Chase Bank, a case study design was deemed the best design to fulfill the objectives of the study.

3.4 Data Measurement

Content validity refers to a measure of a degree to which data collected using a particular instrument represent a specific domain of indicators or content a particular concept. Qualitative data measurement are done by objectivity and are time consuming, therefore data is usually collected from a smaller sample than would be the case for quantitative approaches in investigating strategy implementation in Chase Bank.
3.5 Data Collection

In this study, emphasis was given to primary data. The primary data was collected using an interview guide. An interview guide is a set of questions that the interviewer asks when interviewing (Mugenda and Mugenda, 2003). It makes it possible to obtain data required to meet specific objectives of the study.

The interviewees were the human resources director, the chief finance officer, the corporate banking director, the country head of treasury, the acting consumer banking director and the chief operating officer.

3.6 Data Analysis

Qualitative data was analyzed using qualitative analysis. Qualitative data analysis seeks to make general statements on how categories or themes of data are related (Mugenda and Mugenda, 2003). The data was qualitative in nature; hence content analysis was used to analyze the data. Mugenda and Mugenda (2003) define content analysis as a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same to relate trends.

Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Mugenda and Mugenda, 2003). Analysis of data collected was compared with the theoretical approaches and documentations cited in the literature review.
3.7 Reliability and Validity

Instrument validity is the degree to which research results obtained from the analysis of the data actually represent the phenomenon under study (Mugenda Mugenda, 1999). To ensure instrument validity content validity was tested. Validity, according to Borg and Gall (1989) is the degree to which a test measures what it purports to measure. According to Borg and Gall (1989) content validity of an instrument is improved through expert judgment. As such, the researcher sought assistance of the assigned supervisor, who, as an expert in research, helped improve content validity of the instrument.

Mugenda and Mugenda (2003) define reliability as a measure of the degree to which a research instrument yields consistent results after repeated trial. The questionnaires were divided into two equivalent halves and then a correlation coefficient for the two halves computed using the Spearman Brown Prophesy formula. The coefficient was showing the degree to which the two halves of the test provide the same results and hence describe the internal consistency of the test.
CHAPTER FOUR
DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the data analysis, results and discussion.

4.2 Strategy implementation at Chase Bank

To the question on the importance of management ability, or competence, in achieving successful strategy implementation, the interviewees said that the management should be competent in setting good strategy objectives, able to achieve strategic awareness, manage resistance to change while giving a clear guidance, align structure to strategy, envision change for future competences and critically assess current strategy. The interviewees further indicated that senior managers, directors, middle managers, departmental heads and other lower level employees are involved in strategy implementation process at Chase Bank, Kenya but the middle level managers play the pivotal role in the implementation.

On the role that communication plays in the process of strategy implementation at Chase Bank, the interviewees said that proper communication of strategic objectives can act as a cohesive force and succeed in connecting those with ultimate responsibility for organisations with those who directly implement policies. According to respondents, communication is important in every aspect of strategy implementation. It is related in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an impact on the implementation process and also enhances timely feedback on the progress and challenges met in the process of strategy
implementation. Others also said that effective communication throughout the organization leads to a clear understanding of key roles and responsibilities of all stakeholders including middle managers, whose role is often pivotal and ensures that everybody understands success levels at all times.

To the question on the impact of management development programs or training on effective strategy implementation at Chase Bank, the interviewees said that training instills to the employees a set of management competencies which it is hoped will deliver better competitive and commercial practice; Staff training is an important contributor to individual and group motivation; training can increase staff involvement in the organization, improve communication between peers, facilitate change and eliminate confusion because everyone becomes aware of his role.

On the effect of early involvement of employees in the strategy process on successful strategy implementation, the interviewees said that early involvement of employees in the strategy process helped members understand super-ordinate goals, style, and cultural norms and thus become essential for the continued success of a firm strategy implementation. It also puts all members at the same platform, and helps the employees to own the process thus ensuring better results. According to some interviewees, early involvement of firm members in the strategic plans and decisions taken by the bank are essential to their progress and development within their organizational environments. Involving staff in such processes increase their confidence and sense of ownership of new
policies and changes, which in turn contribute to their personal and professional motivation towards successful strategy implementation.

The interviewees indicated that the bank applies fluid processes for adaptation and adjustment in strategy implementation to a great extent because strategy implementation is a complex phenomenon thus in response, generalizations have been advanced in the form of encouraging fluid processes for adaptation and adjustment.

On initiatives taken by management in creating and sustaining a climate within the firm that motivates employees in their implementation role, the interviewees said that the management has taken initiatives that include encouraging teamwork, maintaining a powerful culture that results in employees aligning their individual goals and behaviours with those of the firm. The management has introduced continuous Staff training and development and has implemented reward and benefits systems including frequent recognition given in less formal ways. They also seek to ensure conducive working conditions by focusing on relations between peers through effective staff meetings that allow opportunities for discussion interaction and proper communication.

The interviewees indicated the style /model of strategy implementation employed at the bank is the top down model. They further said that the strategy implementation practices employed by Chase Bank include allocation and management of resources (financial, personnel, operational support, time, technology support), establishing a chain of command, assigning responsibility of specific tasks or processes to specific individuals or
groups, monitoring results (comparing to benchmarks and best practices, evaluating the efficacy and efficiency of the process, controlling for variances, and making adjustments to the process as necessary), taking advantage of supportive implementation instruments like the balanced scorecard and assessing the obstacles to strategy implementation (both those internal and external to the organization).

The study found out that factors leading to strategy implementation success at the bank, the interviewees said that factors leading to strategy implementation success include clear objectives and planning, and a conducive climate, giving implementation priorities, employing adequate resources, an appropriate structure, control mechanisms, strategic consensus, leadership and positive attitude towards strategy implementation success.

### 4.3 Challenges to strategy implementation

The interviewees indicated that they face the challenge of inadequate allocated implementation time since they felt that most deadlines were approximated and also due to the occurrence of unexpected developments. According to some interviewees, the bank experiences delays by external business partners in providing the expected support in time.

The interviewees indicated that political turbulence was the most important issue facing any implementation process. Other challenges include sponsors of the strategic decision leaving the organization during implementation, change of guiding policies by umbrella bodies for example the Central Bank of Kenya, system breakdown, low or
underestimated budget allocation and underestimation of the commitment, time, emotion, and energy needed to overcome inertia in their organization and translate plans into action.

Other factors in the external environment that had an adverse impact in strategy implementation at the bank were indicated by the interviewees as increasingly sophisticated customers and management practices, escalating globalization, more prevalent and subtle product differentiation, the credit crunch, the political environment and competition from other banks.

The interviewees indicated that some of competing activities that cause distractions inhibiting strategy implementation include too many conflicting priorities, promotion, informed customers, door to door sale and the bank trying to cope with competition in the industry hence losing perspective of its strategy. The interviewees further indicated the challenges posed by the inadequacy of information systems used to monitor strategy implementation include the implementers not knowing how effective the strategy implementation has been, may lead to loss of opportunities, lack of timely feedback and false report on progress and consequently ultimate failure.

The interviewees indicated that they faced challenges of criticism, lack of cooperation, strategy failure and implementation delays. The interviewees, on the impact of poor communication and diminished feelings of ownership and commitment by employees to strategy implementation, said that it resulted to delayed results, wastage of resources, loss
of business, and rejection of the strategy, demotivation and lack of commitment to new ideas.

On the challenges caused by ineffective coordination and poor sharing of responsibilities of strategy implementation activities, the interviewees said that they caused challenges of delayed implementation, overworking of some workers, errors of commission, omission and duplication.

According to the interviewees, other challenges faced in strategy implementation at the bank include poor planning, lack of support, non involvement, inadequate knowhow on the key stages, poor coordination, poor communication, unclear strategic intentions, conflicting priorities, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, competing activities and uncontrollable environmental factors.

The researcher further asked the interviewees to suggest the possible solutions to the challenges of strategy implementation at the Chase Bank. According to the interviewees, the solution to the problems include continuous training on how the strategy should be implemented; involvement of staff in decision making, consider piloting before rolling it out to everyone, appraise achievements, sharing responsibility, efficient communication, defined and clear process flow.
4.4 Measures taken by Chase Bank to deal with strategy implementation challenges

According to the interviewees, the most important thing when implementing a strategy is the top management’s commitment to the strategic direction. This is undoubtedly a prerequisite for strategy implementation. Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process. This demonstrable commitment becomes, at the same time, a positive signal for all the affected organizational members.

To successfully improve the overall probability that the strategy is implemented as intended, senior executives must abandon the notion that lower-level managers have the same perceptions of the strategy and its implementation, of its underlying rationale, and its urgency. Instead, they must believe the exact opposite. They must not spare any effort to persuade the employees of their ideas.

Strategy implementation is not a top-down-approach. Consequently, the success of any implementation effort depends on the level of involvement of middle managers. To generate the required acceptance for the implementation as a whole, the affected middle managers knowledge (which is often underestimated) must already be accounted for in the formulation of the strategy. Then, by making sure that these managers are a part of the strategy process, their motivation towards the project will increase and they will see themselves as an important part in the process.
Unfortunately, in practice, managers and supervisors at lower hierarchy levels who do have important and fertile knowledge are seldom involved in strategy formulation. When they are, however, the probability for realizing a smooth targeted and accepted strategy implementation process increases substantially. From the information gathered at the Chase Bank less than 5 percent of typical workforce understands their organization’s strategy. This is a disturbing statistic as it is generally believed that, without understanding the general course of strategy, employees cannot effectively contribute to a strategy implementation.

To involve employees is an important milestone to make strategy everyone’s everyday job. That is why the involvement of middle managers is essential to increase the general awareness of the strategy. The involvement of middle managers helps build consensus for the strategy. A lack in strategic consensus can limit a company’s ability to concentrate its efforts on achieving a unified set of goals. At first look, the suggestion that communication aspects should be emphasized in the implementation process seems to be a very simple one. Even though studies point out that communication is a key success factor within strategy implementation communicating with employees concerning issues related to the strategy implementation is frequently delayed until the changes have already crystallized. The respondents recommend that organization strategy implementation should be in two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy. In addition to soliciting questions and feedback, the communications should tell employees about the new requirements, tasks and activities to be performed.
It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion. However, one may not misunderstand communication, or the sharing of information, as engagement the direct dialogue that produces active participants in the change process. 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.

Traditional strategy implementation concepts generally over-emphasize the structural aspects and reduce the whole effort down to an organizational exercise. It is dangerous, however, when implementing a new strategy, to ignore the other existing components. Strategy implementation requires an integrative point of view. Not only the organizational structure, but cultural aspects and the human resources perspective are to be considered as well. An implementation effort is ideally a boundary less set of activities and does not concentrate on implications of only one component, e.g. the organizational structure. It is of great importance to integrate soft facts as well in the reflection of the implementation process. It is the consideration of soft and hard facts together that ascertains that cultural aspects and human resources receive at least the same status as organizational aspects. Altogether, such an integrative interpretation allows an important scope of development for implementation activities.
Human resources represent a valuable intangible asset which is according to the interviewers. Chase Bank research indicates that human resources are progressively becoming the key success factor within strategy implementation. In the past, one of the major reasons why strategy implementation efforts failed was that the human factor was conspicuously absent from strategic planning. This leads to a dual demand. First, considerations regarding people have to be integrated into considerations about strategy implementation in general. Second, the individual behavior of these persons is to be taken into account. Individual personality differences often determine and influence implementation. The difference of individuals requires, as a consequence, different management styles. For the purpose of strategy implementation it is desirable to create a fit between the intended strategy and the specific personality profile of the implementations key players in the different organizational departments.

To facilitate the implementation in general implementation instruments should be applied to support the processes adequately. Two implementation instruments are the balanced scorecard and supportive software solutions. The balanced scorecard is a popular and prevalent management system that considers financial as well as non-financial measures. It provides a functionality to translate a company’s strategic objectives into a coherent set of performance measures. When it comes to meeting the criteria of a strategy implementation instrument, there is an excellent fit.

The individual character of each balanced scorecard assures that the company’s strategic objectives are linked to adequate operative measures. As a consequence, it provides even
more than a controlling instrument for the implementation process. It is a comprehensive
management system, which can support the steering of the implementation process. A
strategic planning system cannot achieve its full potential until it is integrated with other
control systems like budgets, information and reward systems. The balanced scorecard
provides a framework to integrate the strategic planning and meets the requirements that
the strategic planning system itself can display.

In the context of implementing strategies, the application of software solutions seems to
be neglected. Recent experience has shown that IT-support is gaining more and more
importance. Information tools must be available and adequate to allow strategic decision
makers to monitor progress toward strategic goals and objectives, track actual
performance, and most important provide an early warning of any need to adjust or
reformulate the strategy.

Unfortunately, this seems to be limited to enterprise resource planning (ERP) systems,
which are prevalent in the operative environment of a company’s day-to-day business.
The strategy implementation perspective demands systems with different criteria than
those of conventional systems. The supportive character in monitoring and tracking the
implementation process should be in the center of interest.

In the past, these activities were tracked manually or launched on an ad hoc basis so that
was a lack in mandatory installed business processes. The supportive application of
adequate software solutions can be more than helpful to improve the quality of strategy
implementation. In addition to that, a software solution is a starting point to define as mentioned above clear assignments of responsibilities throughout the organization’s implementation processes.

Another most critical points within strategy implementation processes is the exceeding of time restrictions according to the interviewee. This can be attributed to an underestimation on the part of many executives who do not have a clearly focused view on the complexities involved in implementing strategies and on the general process to deal with these multifaceted complexities. Basically, it is difficult enough to identify the necessary steps of the implementation. It is even more difficult to estimate an appropriate time frame. One has to find out the time-intensive activities and harmonize them with the time capacity. One method for accomplishing this is to work with the affected divisions and the responsible managers. In addition to calculating the probable time frame an extra buffer should be calculated to account for unexpected incidents that might occur at any time.

4.5 Discussion

Effectiveness of strategy implementation practice is, at least in part, affected by the quality of people involved in the process. Here, quality refers to skills, attitudes, capabilities, experiences and other characteristics of people required by a specific task or position. The study collates with the literature on the importance of management ability, or competence, in achieving successful strategy implementation practice, where the study found that the management should be competent so as to ensure good strategy objective setting, achieve strategic awareness, manage resistance to strategy implementation
practice, giving a clear guidance, sustaining vigorous strategy implementation practice efforts, aligning structure to strategy, envisioning change for future competences and critically assessing the current strategy. The researcher further found that senior managers, directors, middle managers, departmental heads and other lower level employees are involved in strategy implementation practice process at the Chase Bank but the middle level managers play the pivotal role in the implementation.

On the role that communication plays in the process of strategy implementation practice at Chase Bank, the researcher found that proper communication of strategic awareness can act as a cohesive force and succeed in connecting those with ultimate responsibility for organisations with those who directly implement policies; communication is pervasive in every aspect of strategy implementation practice, and it is related in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an impact on the implementation process and also enhances timely feedback on the progress and challenges met in the process of strategy implementation practice. The researcher also found that effective communication throughout the organization leads to a clear understanding of key roles and responsibilities of all stakeholders including middle managers, whose role is often pivotal and ensures that everybody understands success levels at all times. This collates with earlier findings in that organizational environment is nowadays also confronted with many changes due to increasing and worldwide competition, technological advances and demanding customers.
Wilson (1992), states that planned approach puts too much emphasis on managers and their ability to control the outcomes of change programmes relates to the impact of management development programmes/training on effective strategy implementation practice. At Chase Bank, the researcher found that training instills to the employees a set of management competencies which it is hoped will deliver better competitive and commercial practice. Staff training is an important contributor to individual and group motivation and can increase staff involvement in the organization, improve communication between peers; facilitate change and eliminate confusion when everyone understands the role he or she is expected to play.

On the effect of early involvement of firm members in the strategy process on successful strategy implementation practice, the study found that early involvement of firm members in the strategy process helped members understand super-ordinate goals, style, and cultural norms and thus become essential for the continued success of a firm strategy implementation practice. It also prevents them from being taken by surprise by putting all members at the same platform, and helps the employees to own the process thus ensuring better results. Further, early involvement of firm members in the strategic plans and decisions taken by the bank are essential to their progress and development within their organizational environments. Involving staff in such processes increase their confidence and sense of ownership of new policies and changes which in turn contribute to their personal and professional motivation towards successful strategy implementation practice. These findings are similar to the ones on previous research by (Hambrick and Cannella, 1989).
The research found that the bank applies fluid processes for adaptation and adjustment in strategy implementation practice to a great extent because strategy implementation practice is a complex phenomenon thus in response, generalizations have been advanced in the form of encouraging fluid processes for adaptation and adjustment. Advocates of a planned change model can be criticized because of their attempt to impose an order and a linear sequence to processes that are in reality messy and untidy, and which unfold in an iterative fashion with much backtracking and omission’ (Buchanan and Storey, 1997)

On initiatives taken by management in creating and sustaining a climate within the firm that motivates employees in their implementation role, the researcher found that the management has taken initiatives that include encouraging teamwork, maintaining a powerful culture that results in employees aligning their individual goals and behaviors’ with those of the firm, continuous this is supported by Mitchell, (2002) by stating that circumstance and resources differ, clientele and relationships are unique, cultures differ, and their aims, objectives and very ambitions may be different. The bank employs staff training and development, implementing reward and benefits systems such as frequent recognition given in less formal ways, ensuring a conducive working condition by focusing on relations between peers through effective staff meetings that allow opportunities for discussion and interaction and proper communication. The style/model of strategy implementation practice employed at the bank is the top down model.

On other factors leading to strategy implementation practice success at the bank, the research found that factors leading to strategy implementation practice success include
clear aims and planning, a conducive climate, giving implementation priority, having abundant resources, an appropriate structure and implementing flexibly, organizational structure, control mechanisms, strategic consensus, leadership and positive attitude towards strategy implementation practice success. This is related that strategy implementation practices and the actions that are part of a strategy implementation strategy are unique and specific to a particular organization according to (Mitchell, 2002).

The research found that the bank faces the challenge of strategy implementation practice time being underestimated in and thus most of the implementers have a deadline that is merely an approximation due to the occurrence of unexpected developments and also experience delays by external business partners in providing the expected support in time. According to Pearce and Robinson (2003), an organizational structure is the division of tasks for efficiency and clarity of purpose, and coordination between interdependent parts of the organization to ensure organizational effectiveness. In connection to Pearce and Robinson the study found that challenges that surface during strategy implementation practice that had not been anticipated, the research found that political turbulence was the most important issue facing any implementation process. Other challenges include supporters of the strategic decision leaving the organization during implementation, change of guiding policies by umbrella bodies for instance the Central Bank of Kenya. Also unplanned system downtimes, low or underestimated budget allocation and underestimation of the commitment, time, emotion, and energy needed to overcome inertia in their organization and translate plans into action were challenges that affected Chase Bank Kenya’s strategy implementation process.
As stated by process Pearce and Robinson, (2003) factors in the external environment that had an adverse impact in strategy implementation practice at the bank were found to include increasingly sophisticated customers and management practices, escalating globalization, more prevalent and subtle product differentiation, the credit crunch, the political environment and breakneck competition from other banks.

The research found that some of competing activities that cause distractions inhibiting strategy implementation practice include too many conflicting priorities, advertisement/promotion, well versed customers, door to door sale and the bank trying to cope with competition in the industry hence losing perspective of its strategy. The research further found the challenges posed by the inadequacy of information systems used to monitor strategy implementation practice, including the implementers not knowing how effective the strategy implementation practice have been; may lead to loss of opportunities, lack of timely feedback and false report on progress and consequently ultimate failure (Govindarajan, 1989).

On the challenges posed by customers and staff not fully appreciating the strategy on strategy implementation practice, the research found that they faced challenges of criticism, lack of cooperation, strategy failure and implementation delays. On the impact of poor communication and diminished feelings of ownership and commitment by employees to strategy implementation practice, the research found that it resulted to delayed results, wastage of resources, loss of business, rejection of the strategy,
demotivation and lack of commitment to new ideas. Leigh (1988) also writes that resistance is a perfectly legitimate response of a worker.

On the challenges caused by ineffective coordination and poor sharing of responsibilities of strategy implementation practice activities, the research found that they caused challenges of delayed implementation, overworking of some workers, errors of commission, omission and duplication. This supported by; strategy implementation is inadequate to describe the diversity of approaches actually used by organizations (Collins, 2005).

Other challenges faced in strategy implementation practice at the bank include poor planning lack of support, non-involvement, inadequate knowhow on the key stages, poor coordination, poor communication, unclear strategic intentions, conflicting priorities, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, competing activities and uncontrollable environmental factors. These collated with Beer and Eisenstat's (2000, p. 37) six silent killers of strategy implementation practice.

The research further found the possible solutions to the challenges of strategy implementation practice at the Chase Bank include continuous training on how the strategy should be implemented; involvement of staff in decision making, consider piloting before rolling it out to everyone, appraise achievements, sharing responsibility, efficient communication, defined and clear process flow.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter presents summary, conclusion and recommendations from the findings highlighted and recommendation made thereto by Chase Bank Limited.

5.2 Summary of findings
On factors leading to strategy implementation practice success at the bank, the research found that they include clear aims and planning, a conducive climate, giving implementation priority, having abundant resources, an appropriate flexible organizational structure, control mechanisms, strategic consensus, leadership and positive attitude towards strategy implementation practice success. The study found that on the role that communication plays in the process of strategy implementation at Chase Bank, the interviewees said that proper communication of strategic awareness can act as a cohesive force and succeed in connecting those with ultimate responsibility for organisations with those who directly implement policies. According to some employees, communication is pervasive in every aspect of strategy implementation, and it is related in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an impact on the implementation process and also enhances timely feedback on the progress and challenges met in the process of strategy implementation.
On the effect of early involvement of firm members in the strategy implementation practice on successful strategy implementation, the interviewees said that early involvement of firm members in the strategy process helped members understand superordinate goals, style, and cultural norms and thus become essential for the continued success of a firm strategy implementation. According to some interviewees, early involvement of firm members in the strategic plans and decisions taken by the bank are essential to their progress and development within their organizational environment. Involving staff in such processes increase their confidence and sense of ownership of new policies and changes, which in turn contribute to their personal and professional motivation towards successful strategy implementation. On initiatives taken by management in creating and sustaining a climate within the firm that motivates employees in their implementation role, the research found that the management have taken initiatives that include encouraging teamwork, maintaining a powerful culture that results in employees aligning their individual goals and behaviours with those of the firm, continuous Staff training and development, implementing reward and benefits systems including frequent recognition given in less formal ways, ensuring a conducive working condition by focusing on relations between peers through effective staff meetings that allow opportunities for discussion interaction and proper communication.

Factors leading to strategy implementation success at the bank, the interviewees said that factors leading to strategy implementation success include clear aims and planning, and a conducive climate, giving implementation priority, having abundant resources, an appropriate flexible organizational structure, control mechanisms, strategic consensus,
leadership and positive attitude towards strategy implementation success. On initiatives taken by management in creating and sustaining a climate within the firm that motivates employees in their implementation role, the researcher found that the management has taken initiatives that include encouraging teamwork, maintaining a powerful culture that results in employees aligning their individual goals and behaviours with those of the firm, continuous.

The research found that the bank faces the challenge of strategy implementation practice time being underestimated and thus most of the implementers have a deadline that is merely an approximation due to the occurrence of unexpected developments and also delays by external business partners in providing the expected support in time. On the challenges posed by customers and staff not fully appreciating the strategy on strategy implementation practice, the research found that they faced challenges of criticism, lack of cooperation, strategy failure and implementation delays. The research, on the impact of poor communication and diminished feelings of ownership and commitment by employees to strategy implementation practice, found that it resulted to delayed results, wastage of resources, loss of business, and rejection of the strategy, demotivation and lack of commitment to new ideas.

Challenges that surface during strategy implementation practice that had not been anticipated the research found that political turbulence was the most important issue facing any implementation process. Other challenges include supporters of the strategic decision leaving the organization during implementation, change of guiding policies by
umbrella bodies for example the Central Bank of Kenya, system breakdown, low or underestimated budget allocation and underestimation of the commitment, time, emotion, and energy needed to overcome inertia in their organization and translate plans into action.

On the contribution of the external environment to adversely impacting strategy implementation practice at the bank the research found them to include increasingly sophisticated customers and management practices, escalating globalization, more prevalent and subtle product differentiation, credit crush, political environment, breakneck competition from other banks. The research found that some of competing activities that cause distractions inhibiting strategy implementation practice include too many conflicting priorities, advertisement or promotion, well versed customers, door to door sale and the bank trying to cope with competition in the industry hence losing perspective of its strategy. The research further found the challenges posed by the inadequacy of information systems used to monitor strategy implementation practice include the implementers not knowing how effective the strategy implementation practice have been, may lead to loss of opportunities, lack of timely feedback and false report on progress and consequently ultimate failure.

Other challenges faced in strategy implementation practice at the bank include poor planning lack of support, non-involvement, inadequate knowhow on the key stages, poor coordination, poor communication, unclear strategic intentions, conflicting priorities,
unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, competing activities and uncontrollable environmental factors.

5.3 Conclusion
From the study, the research concludes that the management should be competent so as to ensure good strategy objective setting, achieve strategic awareness, manage resistance to strategy implementation practice; early involvement of firm members in the strategy process helped members understand super-ordinate goals, style, and cultural norms and thus become essential for the continued success of a firm strategy implementation practice, puts all members at the same platform, and helps the employees to own the process thus ensuring better results.

The study also concludes that the management has taken initiatives in creating and sustaining a climate within the firm that motivates employees in their implementation that includes; encouraging teamwork, maintaining a powerful culture that results in employees aligning their individual goals and behaviors with those of the firm, continuous Staff training and development, implementing reward and benefits systems including frequent recognition given in less formal ways, ensuring a conducive working condition by focusing on relations between peers through effective staff meetings that allow opportunities for discussion and interaction and proper communication.

The study also concludes that factors leading to strategy implementation practice success include clear aims and planning, a conducive climate, giving implementation priority, having abundant resources, an appropriate structure and implementing flexibly,
organizational structure, control mechanisms, strategic consensus, leadership and positive attitude towards strategy implementation practice success.

On the challenges, the study concludes that the bank faces the challenge of strategy implementation practice time being underestimated, political turbulence, poor planning lack of support, non-involvement, inadequate knowhow on the key stages, poor coordination, poor communication, unclear strategic intentions, conflicting priorities, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, competing activities and uncontrollable environmental factors, supporters of the strategic decision leaving the organization during implementation and change of guiding policies by umbrella bodies for example the Central Bank of Kenya. Factors in the external environment that had an adverse impact in strategy implementation practice at the bank were increasingly sophisticated customers and management practices, escalating globalization, more prevalent and subtle product differentiation, credit crunch, political environment, and breakneck competition from other banks.

5.4 Implication of the Study

The implication of the study is to policies formulation and on how to successfully implement their strategies and how they could purpose to mitigate the challenges facing it. This also implies that key decision makers in Chase Bank in policies formulation and on how to successfully implement their strategies and how they could purpose to mitigate the challenges facing it. The study will in addition to the above, be useful to stakeholders, financiers, and investors in formulating and planning areas of intervention and support.
On the role that communication plays in the process of strategy implementation practice at Chase Bank, the researcher found that proper communication of strategic awareness can act as a cohesive force and succeed in connecting those with ultimate responsibility for organisations with those who directly implement policies; communication is pervasive in every aspect of strategy implementation practice, and it is related in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an impact on the implementation process and also enhances timely feedback on the progress and challenges met in the process of strategy implementation practice.

5.5 Limitations of the study

The main limitations of this study include the fact that some respondents refused to be interviewed. This reduced the probability of reaching a more conclusive study. However, conclusions were made with this response rate. The small size of the sample could have limited confidence in the results and this might limit generalizations to other situations. Most of the respondents were busy throughout and had to continuously be reminded and even persuaded to provide the required information.

5.6 Recommendations

From the discussions and conclusions in this chapter, the study recommends that although Chase Bank has been successful in the strategy implementation practice, in order to remain profitable and competitive in the market, the bank should continuously train its employees on how the strategy should be implemented, involve staff in decision
making and employ an efficient communication system that avails information on strategy to all stakeholders. The study further recommends that the bank should involve all members in the strategy implementation practice.

Chase Bank has undertaken some of the measures that dealt with the strategy on how to solve the implementation challenges they include commitment to the strategy in both top and middle managers, communication which is very critical in both during and after an organizational change so as to relay information about organizational developments to all levels in a timely fashion, calculating the probable time frame an extra buffer should be calculated to account for unexpected incidents that might occur at any time.

5.7 Suggestion for Further Research
The study was only conducted in Chase Bank. To support the results from this research, the same study should be done either on other banks or a survey on the entire banking industry to verified the results found and check if there are any different approaches to the strategy implementation practices. The researcher further recommends that a replicate study be done on non-financial institution so as to find out how other companies implement strategy implementation as opposed to banks.
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Appendix I: Interview Guide

STRATEGY IMPLEMENTATION AT CHASE BANK

1. How many years have worked in the bank: _______________

2. The number years in the current position: _______________

SECTION A: STRATEGY IMPLEMENTATION

3. Who are involved in strategy implementation process in your organization?

4. What are the strategy implementation practices employed by your bank as pertain to your department?

5. In your opinion what is the importance of management ability or competence in achieving successful strategy implementation practices in your department?

6. In your opinion how as ineffective coordination and poor sharing of responsibilities caused strategy implementation practice activities?

7. What is the impact of management development programmes /training on effective strategy implementation at Chase Bank?

8. What is the the effect of early involvement of firm members in the strategy process on successful strategy implementation?

9. What are strategy implementation initiatives taken by management in creating and sustaining a climate within the firm?

10. What role does communication play in the process of strategy implementation at your organization?

11. What are the other factors leading to strategy implementation success at your bank?
SECTION B: CHALLENGES TO STRATEGY IMPLEMENTATION

12. What are the challenges faced in strategy implementation in your bank?

13. What are challenges posed by customers and staff not fully appreciating the strategy on strategy implementation practice?

14. What challenges are posed by Resistance and Leadership not fully appreciating strategy implementation in your department?

15. What is the impact of Organizational Culture and Organizational Structure of ownership and commitment by employees to strategy implementation your department?

16. What are the other challenges you face in strategy implementation at the bank?

17. What are the possible solutions to the challenges faced in strategy implementation at the Chase Bank?

18. What are challenges that surface during strategy implementation practice that had not been anticipated?

Measures taken by Chase Bank to deal with strategy implementation challenges

19. How committed are the board members and management in providing financial resources to support implementation of strategy?

20. How motivated are the board of directors and employees in supporting the strategic initiatives?

21. How appropriate is the current organization structure to support the implementation of strategy initiatives?

22. How capable is the available human resource in managing and implementing new strategy direction?
23. What organizational policies or systems have been put in place to respond to these challenges of strategy implementation?

24. Are any external stakeholders involved in resolving these challenges?

25. How is strategic change communicated, both internally and externally? *Probe for who is responsible for communication, if information flows are systematic and whether any forums are organized for information sharing.*

Thank you for your time!