STRATEGY IMPLEMENTATION CHALLENGES AT UNGA GROUP LIMITED, KENYA

BY:

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DECLARATION

This Research Project is my original work and has not been presented for any degree in any other university.

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The Research Project has been submitted with my approval as the University Supervisor

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DEDICATION

This research paper is dedicated to my parents Joseph Chumo and Rose Chumo. Their encouragements and advice gave me the courage and the motivation to continue studying to the highest possible academic level. Above all, I dedicate all to the Almighty God for showering me with his blessings during the entire MBA program.
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ABSTRACT

Organizations are environment dependent and environment serving and the strategy that the organization adopts is what connects it to the environment hence all organizations operate in an open system. The study was anchored on the open system theory which states that organisations are affected by a number of factors that occur in the external environment and that they can have an effect on factors that exist in the internal environment. This study sought to investigate strategic implementation challenges at Unga Group Limited. The objective of the study was to establish the strategy implementation challenges experienced at Unga Group limited during strategy execution and to determine the measures that the company will take to deal with the strategy implementation challenges. For the purpose of this study, the researcher applied a case study and he used both primary and secondary data which was collected using personal interview guide. Content analysis was used to analyze the respondent’s views about strategy implementation at Unga Group Limited, strategy implementation challenges and the measures that Unga Group Limited will take to deal with the strategy implementation challenges. From the findings, the study concluded that Unga Group Limited faces a couple of challenges in the implementation of its strategies among which include lack of the right skills and abilities for strategy implementation, ownership of the strategy and related implementation activities, disconnect between strategy formulation and strategy implementation, high staff turnover rate and the reporting and decision making structure. The study recommends that the management should build an internal organization structure that is responsive to the needs of the strategy such that major decisions are delegated down to the plants so that much time is not wasted in waiting for decisions from the central support office. The researcher recommends that a study should be undertaken in all milling industries in Kenya that will focus on the entire strategic management process which includes formulation, control, monitoring and evaluation aspects.
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

For any organization to remain relevant in the face of the turbulent environment, it has to come up with effective strategies that will enable the organization remain relevant and competitive. However much that these strategies will be implemented does not guarantee that the business will achieve its objectives, this could probably be attributed to ineffective strategy implementation. Successful strategy formulation does not guarantee successful strategy implementation (Ginsberg, 1988). It is always more difficult to do strategy implementation than to do strategy formulation (David, 1997). Failure in the implementation process is usually the main weakness for most strategic management processes (Wooldridge and Floyd, 1990).

Organizations are environment dependent and environment serving and the strategy that the organization adopts is what connects it to the environment hence all organizations operate in an open system. Open systems theory posits that organisations are affected by a number of factors that occur in the external environment and that they can have an effect on factors that exist in the internal environment (Burnes 1996). The business environment is comprised of a set of relationships between agent and stakeholders in the environment relationships that are changed by individual decisions taken (Wheatley, 1996).
The flour milling industry in Kenya is premised on the liberalized market where prices are determined by the market forces. The milling market depicts two levels of private players i.e., the small-scale and large-scale players with no government owned milling firm (Owuor. 2009). The turbulent and competitive environment in the milling industry has prompted the players in the milling industry including Unga Group Limited to come up with effective strategies in order to remain competitive and to survive in the dynamic market. Despite the adoption of these strategies, Unga Limited still performed dismally and this could probably due to the disconnect between strategy formulation and strategy implementation. Lack of emphasis on the strategy implementation process at the company is what has prompted the researcher to establish the strategy implementation challenges at Unga Group Limited.

1.1.1 The Concept of Strategy Implementation

Strategy implementation is the process used to implement specific policies, programs and action plans that allow a firm to utilize its resources to take advantage of opportunities in a competitive environment (Harrington and Ottenbacher, 2011). Thompson and Strickland (1998) argue that strategy implementation is all about acting on what has to be done internally to put formulated strategies in place thus ensuring that targeted results are achieved within the targeted framework of time.

Strategic Implementation entails working through others, organizing, motivating, culture building and creating strong links between strategy and how the organization operates, it also entails a process of converting the formulated strategies into viable operations that will yield the organization’s targeted results (Musyoka, 2011).
Delicate and sensitive issues are involved in strategy implementation, such as resource mobilization, restructuring, cultural changes, technological changes, process changes, policy and leadership changes (Byars and Lloyd 1996).

The strategy implementation challenges will depend on the type of strategy, the organization and prevailing circumstances (Musyoka, 2011). Strategy implementation is inextricably connected with organizational change and people working in an organization sometimes resist change proposals and make strategy difficult to implement (Lynch, 2000). Lack of synergy between strategy and culture may obstruct the smooth implementation of strategy by creating resistance to change and Aosa (1992) states that it is important that the culture of an organization be compatible with the strategy being implemented because where there is incompatibility between strategy and culture, it can lead to a high organizational resistance to change.

1.1.2 The Flour Milling Industry in Kenya

The flour milling industry in Kenya comprises of two levels of private players i.e., the small-scale and large-scale players with no government owned milling firm. Majority of the large milling firms are confined to the major Kenyan towns and the current market allows for free entry and exit by various milling firms in to the market. Shortages of the raw material coupled with surging wheat prices at the world market are adversely affecting the operations of flour milling industry. The Flour Milling Industry is characterized by many key features which distinguish it from other sectors of the economy.
With turnover and earnings driven primarily by market share and capacity utilization, the major determinant of success among its players is organic growth and cost leadership (Owuor, 2009).

The level of competition that exists within the industry is extremely keen. The success of each individual company is hinged on its ability to gain market share and this has made the industry players to go through various lengths to increase capacity and to manage their costs. This has encouraged the players in the industry to adopt strategic management in their management system. However much that they have adopted strategic management, they have not fully utilized their potential of meeting the needs of the market and this could probably be due to the disconnect between strategy formulation and strategy implementation.

Some of the challenges that the milling companies might face include competing activities that distract attention from implementing the decision, changes in responsibilities of key employees not clearly defined, key formulators of the strategic decision not playing an active role in implementation, problems requiring top management involvement not communicated early enough, advocates and supporters of the strategic decision leaving the organization during implementation and implementation taking more time than originally allocated (Al-Ghamdi, 1998).
1.1.3 Overview of Unga Group Ltd

Unga Group Limited is one of the oldest companies in Kenya registered on 28th December 1908 with the aim of serving the milling needs of the fledgling wheat growing industry that had established itself in the Rift Valley region. By the 1970's, Unga Limited had become the largest grain miller in East Africa with operations in Nairobi, Eldoret, Nakuru, Iringa, Dar es Salaam, Arusha and Jinja. Unga Group Limited has been a publicly listed company in Kenya since 1956. Today, Unga Group is headquartered in Nairobi and is the holding company for four operating companies - Unga Limited (human nutrition), Unga Farm Care (EA) Limited (animal nutrition and health), Unga Millers (Uganda) Limited (human and animal nutrition) and Bullpak Limited (paper packaging). Unga Limited has mills in Eldoret and Nairobi; Unga Farm Care has manufacturing facilities in Nakuru and Nairobi. These facilities are supported by well-equipped analytical laboratories (Mutai, 2013).

Unga Limited's major Maize brands are Jogoo, Hostess, Hodari and Jogoo Extra; these were joined in May 2011 by Jogoo Wimbi, targeted at the emerging market for healthy foods. In the Wheat category there is the EXE family of specialty home baking flours All Purpose, Chapati, Mandazi, Self Raising, Atta Mark 1 and Brown Bread, supported by Kenya's Pride Bakers flour, Tower whole meal flour, Biscuit Flour, Pure Patent flour, Cracker Flour and Paa home baking flour. Unga Limited maintains market leadership in the uji porridge category with its range of natural and high quality products sold under the Famila name, namely Ujimix the original sour porridge, Pure Wimbi and Infant Weaning (Mutai, 2013).
There has been a lot of competition in the flour milling industry and the industry has been experiencing a lot of challenges among which include the high cost of doing business. Unga Group Limited is also facing the same challenges and it has a formal strategy which was formulated with the view of remaining relevant in the industry. Even after implementing the strategies formulated, the company continued performing dismally despite the fact that it had relevant and good strategies, the poor performance could probably be attributed to the disconnect between strategy formulation and strategy implementation.

1.2 The Research Problem

Ansoff (1965) noted that while implementing strategy is such an important activity, it is not easy. A reason for this difficulty may be that strategy implementation is a multifaceted and highly complex organizational phenomenon (Wernham, 1985). DeLeon (1999) argues that the complexity of implementation is more than daunting and apparently impenetrable and results in lacking predictive powers. Implementation is difficult and complex because the process is messy, ambiguous and often involves many departments in the firm (Schofield, 2004). Part of this complexity arises from the social and political aspects of an implementation, which need to be taken into account.

The current Kenyan milling industry allows for free entry and exit of the milling firms in urban and rural areas. Due to this, there is a lot of competition in the market prompting the key players including Unga Group Limited to adopt and implement strategic management in their organization.
Despite the adoption of these strategies, there is a gap in the company performance and this could probably be due to disconnect between strategy formulation and strategy implementation.

Although there are many studies done on strategy implementation (Aosa, 1992; Awino, 2000; Koske, 2003; Muthuiya, 2004; and Machuki, 2005), in Kenya, their findings, recommendations and challenges may not be applicable to Unga Group Limited because the studies were done in different contexts and time. (Aosa, 1992), investigated aspects of strategy formulation and implementation within large private manufacturing companies in Kenya; Awino (2001), looked at the effectiveness and problems of strategy implementation of financing higher education in Kenya by Higher Education Loans Board; Koske (2003) wrote on strategy implementation and its challenge in public corporations: the case of Telkom Kenya; Muthuiya (2004) wrote on strategy implementation and its challenges in non-profit organizations in Kenya: the case of AMREF and Machuki (2005) wrote on challenges to strategy implementation at CMC Motor Group Ltd. There is a significant knowledge gap because none of them is focused on the challenges of strategy implementation at Unga Group Limited.

To this pool of knowledge there is still a need to further study strategy implementation challenges in private sector in Kenya in reference to Unga Group Limited. Unga Group is unique in that it operates in a very complex and dynamic environment. What are the challenges experienced at Unga Group limited during strategy implementation?
1.3 Research objectives

The objectives of the study were:

i. To establish the strategy implementation challenges experienced at Unga Group limited during strategy execution.

ii. To determine the measures that Unga Group Limited will take to deal with the strategy implementation challenges.

1.4 Value of the Study.

This study is a useful reference point to academicians, scholars, and researchers for better understanding of strategy implementation challenges and how to cope with the challenges. It provides information to future scholars who might need to research on the challenges to strategy implementation within the milling industry operating in Kenya.

The study provides an insight to the management to come up with the key technical skills for its management staff so that they can have a pool of talent that can help the management in strategy implementation process. This is a very important basis of coming up with the training programme which when implemented will eliminate the inadequate skills and capabilities required for implementation.

The study provides the management of Unga Group Limited with the recommendation to build an internal organization structure that is responsive to the needs of the strategy such that major decisions are delegated down to the plants so that much time is not wasted in waiting for decisions from the central support office.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
The chapter presents the analysis of existing literature related to theoretical underpinnings, strategy implementation, institutionalization of the strategy, operationalization of the strategy, strategy implementation challenges and measures to mitigate strategy implementation challenges. It is a review of what other scholars have written about the above variables.

2.2 Theoretical Underpinnings
This study is anchored on the open system theory. Open systems theory posits that organisations are affected by a number of factors that occur in the external environment and that they can have an effect on factors that exist in the internal environment (Burnes 1996). Open system theory looks at the relationships between the organizations and the environment in which they are involved. This focus reflects on organizations’ ability to adapt to changes in environmental conditions with or without the need for information processing (Katz and Kahn, 1978). This theory assumes that entities able of processing information about own specific environment show more adaptation skills to shifts in contextual conditions. Open systems approach views the organizations’ interaction with the external environment as vital for organizational survival and success in open systems any change in any elements of the system causes changes in other elements (Wang, 2004).
Institutional theory is a theoretical lens that has been widely used to study the adoption and diffusion of organizational forms and practices (Bjorkman, Fey and Park, 2007). Within this theoretical underpinning, North (1991) defined institutions as the humanly devised constraints that structure political, economic and social interaction. These institutions consist of both informal constraints (sanctions, taboos, customs, traditions, and codes of conduct), and formal rules (constitutions, laws, property rights). Throughout history, North argues that institutions have been devised by human beings to create order and reduce uncertainty in exchange. Together with the standard constraints of economics they define the choice set and therefore determine transaction and production costs and hence the profitability and feasibility of engaging in economic activity (North, 1991).

The resource-based view associated with the work of Barney (1991) emphasizes the internal capabilities of the organization in formulating strategy to achieve a sustainable competitive advantage in its markets and industries. If an organization is seen as made up of resources and capabilities which can be configured and reconfigured to provide it with competitive advantage, then its perspective does indeed become inside-out.

2.3 Strategy Implementation

Strategy is the determination of the basic term goals and objectives of an enterprise and adoption of course of action and the allocation of resources necessary for carrying out those goals Chandler (1962). According to Irwin (1995), strategy implementation is an internal operations driven activity involving organizing, budgeting, motivating, culture building, supervising, and leading to make the strategy work.
Pettigrew (1988) and Lynch (2000) add that implementation includes aspects of who will be responsible for the implementation, the most suitable organizational structure to support the strategy and the relevant systems needed by the organisation to track and monitor the progress.

Thompson (1990) notes that administrative procedures need to be adequately in place to facilitate smooth operationalization of the strategy. A successful strategy implementation requires that the organizations administrative elements have a strategy supportive structure, a supportive budget, competent employees in right jobs, well laid down performance targets, internal supportive administrative systems, and visionary leadership that motivates and manages the change process in a conducive innovative and responsive work environment.

Pearce and Robinson (1991) state that process is the translation of strategic thought into action involving the following important steps: identifying measurable mutually determined annual objectives, developing specific functional strategies, developing and communicating concise policies to guide decisions and allocating resources. Annual objectives transform grand strategy into shorter operational strategies. Pearce and Robinson (1991) indicate that policies are directives designed to guide the thinking, decisions and actions of the managers including all those involved in the strategy implementation. Effective policies therefore channel actions, behaviour and practices towards accomplishment of the strategy.
Thompson (1990) observed that a strategy is presumed to be realistic if the required resources are available. The allocation represents management commitment to the plan of action. Aosa (1992) has talked about allocation of resources as the availing of material and human resources required for the strategy implementation. Pearce and Robinson (1988) have seen the annual budget as the main vehicle for resource allocation. Thompson and Strickland (1989) on linking the budget with strategy mean providing enough of the right people and funds. Taylor (1986) contents that there should be staff development programs to build capacity, reward and incentive systems and performance evaluation program that will motivate and identify capability gaps.

The process of institutionalization relies heavily on the organization configuration that consists of the structures, processes, relationships and boundaries through which the organization operates (Johnson and Scholes, 2003). Pearce and Robinson (1991) noted four organization elements that are fundamental means of institutionalisation of the firm’s strategy. These are structure, strategy, leadership, culture, and rewards. Irwin (1995) adds to this observation by stating that strategy implementation includes building a firm capable of carrying out strategy successfully, allocating ample resources to strategy critical activities, establishing strategy supportive policies, instituting best practices and programs for continuous improvement, installing support systems, tying reward structure to achievement of results, creating a strategy supportive corporate culture and exerting strategic leadership.
Structure in organizations refers to the formal framework by which tasks are organized and coordinated (Robin and Coulter, 2002). It is the basic way the firm’s different activities are organised to achieve efficiency and effectiveness Pearce and Robinson (1991). Li and Eppler (2008) found that a clear structure provides the organisation’s relationships among different units and departments and different strategy levels. Chandler (1962) on strategy and structure observed that there is a need for building an internal organization structure that is responsive to the needs of the strategy. Drucker (1974) observed that the simplest organisation structure that will do the job is considered the best one.

Higgins (2005) refers to systems and processes as the facets which enable an organisation to get things done from day to day e.g. strategic planning systems, information systems, performance measurement systems. The current McKinsey model defines it into formal procedures for measurement, reward and resource allocation, informal routines for communicating and resolving conflicts (Waterman et al, 1980). In relation to strategy implementation, the category systems is related to the existence of information technology systems that assist in implementing the strategy, identifying controlling mechanisms and if the effectiveness of the strategy implementation is monitored (Waterman et al, 1980).

Style is related to the company’s culture and its ability to change (Waterman et al., 1980). Higgins (2005) refers to style as a way of leadership and management and stipulates it by the behaviour by managers when relating towards subordinates and other employees.
Strategic leadership requires the ability to accommodate and integrate both the internal and external business environment of the organisation and to manage and engage in complex information processing (Jooste and Fourie, 2009). A strategic leader has many tasks, but concerning strategy implementation the most important issues are: motivating employees and communicating knowledge concerning the strategy (Hayes, 2010). Kaplan and Norton (2004), have indicated that leadership is an important driver when it comes to strategy implementation. As Schaap (2006) mentions that implementation is a hands on operation and action-oriented human behavioural activity that calls for executive leadership and key managerial skills.

According to Kotter and Schlesinger (2008), skills act as a driver towards strategy implementation. The most common aspects considered as drivers are the allocation and providing of resources and providing of education training and development. It is Fernandez and Rainey (2006) who mentions that successful change usually requires sufficient resources (skills) to support the process.

The studies by Jooste and Fourie (2009) identify the organisational culture shared values as a driver towards strategy implementation. Robinson and Coulter (2002) defined culture as the fundamental values, beliefs, attitudes and patterns of people in which a firm operates. Aosa (1992) looks at organisation culture as that which must be compatible with strategy as lack of compatibility between strategy and culture can lead to high resistance. Sathe (1983) argued that culture guides the actions of organization members without the need for detailed instructions to discuss how to approach particular issues or problems.
2.4 Strategy Implementation Challenges

Strategy implementation challenges arise from sources that are internal and external to the organization. The challenges will depend on the type of strategy, the type of organization and prevailing circumstances. Many challenges can be avoided if strategy development is coupled with implementation (Musyoka, 2011). Previous studies (Okumus, 2003 and Speculand, 2009) established that the main inhibitors to the execution of strategies include execution taking more time than planned, lack of communication, lack of coordination and support from other levels of management, resistance from lower levels, lack of control systems and execution being viewed as a set of discrete isolated tasks.

Ineffective leadership is a factor mentioned by almost all researchers as a reason hindering the implementation of strategy. Alexander (1985) found that ineffective coordination of implementation activities is one of the causes of failure. This finding is confirmed by Al-Ghamdi (1998), who performed a similar research in the United Kingdom. Beer and Eisenstat (2000) mention the quality of direction, which describes multiple ways in which senior management can be ineffective. The top level Management sometimes bypasses middle management and directly obtains information from and gives orders to the lower level employees causing ineffective communication lines in the implementation team. Additionally, this causes a situation in which conflicts are avoided and value-adding discussions on decision-making are lost.
Ownership of the strategy and related implementation activities is also another challenge in strategy implementation. Giles (1991) names ownership as the most important reason for failure. If the strategy is not owned by the employees involved in the implementation, it may lead to counter implementation which causes the organization to move in the wrong direction. Moreover, when key people in the formulation of the strategy are not participating in the implementation, ownership is lost in many cases causing the increase of time needed for the implementation (Corboy and O’Corrbui, 1999). When the affected employees and managers are not at all involved in the formulation of the strategy, it will be more difficult for them to feel ownership of the strategy (Alexander, 1985).

Inadequacy of any form of resources, such as inadequate funds, equipment and facilities, and human resources skills and experience is often a big challenge during strategy implementation. Swartz (1985) argues that the challenge to management is that it might need to recruit, select, train, discipline, transfer, promote and possibly even lay off employees to achieve the organizational strategic objectives. Often, as a result of the large number of concurrent change programmes, it is difficult to secure the resources to execute the strategy as most of the organisation’s resources will already be allocated. Furthermore, as such resources are limited, the executives will compete fiercely for them and once within their control, they will endeavour to own them to secure their own goals (Lovallo and Kahneman, 2003).
Lack of the right skills and abilities of the people involved in the strategy implementation have also been found to cause problems (Alexander, 1985). Furthermore, employees do not always receive the correct training and instruction to be able to perform their work which may have changed due to the newly implemented strategy (Al-Ghamdi, 1998).

A survey of executives from 200 global companies with sales of more than US $500 million, identified several inhibitors to strategy execution, inadequate or insufficient human resources contribute significantly to an organizational challenge of successful implementation of strategies. Due to the skill shortage, it is not only difficult to recruit the right talent but also to retain that talent. High executive turnover sees too many key managers depart before a strategy is fully executed (Muell and Shani, 2008).

Important risks due to internal and external factors that could affect the implementation of strategy are not identified properly before the start of and during the implementation. Major problems can occur during the implementation which causes delays or even inability to implement the strategy (Corboy and O’Corrbui, 1999). Executives have stated that top management is likely to underestimate the likelihood of risks and may even be blind to the risks they face (Alexander, 1985).
Competitive position is a key issue in the operating environment. Anticipated new substitute or competing products may render the organization’s products uncompetitive (Pearce and Robbinson, 2003).

Operating environment changes such as in the Customer profiles, this need to be anticipated and strategies adjusted to match customer expectations (Pearce and Robbinson, 2003). Major cost increases due to cost hikes by creditors or suppliers may present unprecedented challenges. Lack of clarity on the objectives of the strategy, responsibilities, tasks and activities that employees should take could also have an adverse impact on the implementation of strategy.

When the strategy is not completely understood by the employees involved in the implementation, it will be difficult for them to effectively work towards the determined goals. Moreover, if employees do not know which responsibilities they have, conflicts may arise or activities may be forgotten all together (Beer et al, 2000).

Poor or ineffective communication, i.e. top-down, bottom-up and across functions and divisions could negatively affect the strategy implementation. When information is not flowing effectively from bottom to top, top management may not be aware of problems jeopardizing the implementation of the strategy and therefore, notable to respond to these problems (Alexander, 1985).
The information flow does not only include people communicating with each other but also information systems through which management is monitoring the implementation efforts. These are in some cases also not providing adequate information towards top management (Al-Ghamdi, 1998).

Strategies are often formulated without considering the implementation that is needed to actually put the strategy to action (Giles, 1991). According to Giles (1991) there are three reasons why poor strategic planning is an obstacle to strategy implementation and these are; strategy is not really a strategy but a mixture of budgets and management wish list, strategy is not executable and the executors do not accept the strategy as their own because they did not participate in its formulation. Notable challenges to successful strategy execution about which there appears to be a degree of agreement include Beer and Eisenstat’s (2000), six silent killers of strategy execution.

These are; top-down senior management style, unclear strategic intentions and conflicting priorities, an ineffective senior management team, poor vertical communication, weak co-ordination across functions and inadequate down-the-line leadership skills development. On the hand, Corboy and O’Corrbui (1999) identified the deadly sins of strategy execution as: lack of understanding of how the strategy should be executed, staff not fully appreciating the strategy, unclear individual responsibilities in the change process, difficulties and obstacles not acknowledged, recognized or acted upon and ignoring the day-to-day business imperatives.
Lack of synergy between strategy and culture may obstruct the smooth implementation of strategy by creating resistance to change and Aosa (1992) states that it is important that the culture of an organization be compatible with the strategy being implemented because where there is incompatibility between strategy and culture, it can lead to a high organizational resistance to change and de-motivation, which in turn can frustrate the strategy implementation effort.

2.5 Measures to Mitigate Strategy Implementation Challenges

Beer and Nohria (2000) argue that the successful execution of strategy requires a combination of three critical elements taken from the prescriptive planning (hard) and process (soft) approaches. Two elements are from the planning approach, having appropriate organisational design and structure to execute strategy and having appropriate resource allocation and control. The third critical element is managing change from the process approach. It focuses on diagnosing barriers to change, managing political issues, communication, and changes to organisational routines (Saunders, Mann, and Smith, 2008).

Successful strategy implementation starts with a good strategy. If the formulated strategy is not implementable or worth implementing, the implementation is deemed to fail from the start. To ensure that an implementable strategy is formulated, key employees from different levels of the organization should be involved in the formulation process.
This way, valuable knowledge from all organizational levels is used to create the strategy that best fits the ultimate goals of top management and can realistically be implemented considering the available resources of the organization and the market conditions. Moreover, involving key personnel already in the process of strategy formulation will create ownership of strategic decisions which is crucial for the success of the strategy implementation. Key implementation personnel should also be involved in the detailed implementation planning to increase their commitment (Giles, 1991 and Alexander, 1985).

The determination of strategic decisions and implementation planning should also include a thorough analysis of the obstacles and risks the organization may face when implementing the strategy. These risks can be both internal and external. Although it is not realistic to expect that all potential risks will be identified, it will give the organization the opportunity to create contingency plans for the identified risks, which could negatively impact the implementation of the strategy or the organization at large (Alexander, 1985).

Once the strategy has been formulated, communication is one of the most important vehicles for successful implementation. First of all, management should inform all employees about the content, meaning of and reasons for the new strategy. However, they should not only inform the employees, they should also leave room for questions from and discussion with the affected employees. Communication also involves the explanation of new tasks and responsibilities to the affected employees.
Throughout the implementation process, communication should flow bottom-up to allow management to monitor the implementation process and determine whether changes to the approach are needed (Beer et al, 2000).

Sufficient resources are another crucial factor in strategy implementation. First, because of the large scope of most strategic decisions, sufficient funding is needed for the implementation process. People are the second important resource. Personnel with the right skills for the new strategic decisions should be involved in the implementation. Furthermore, these employees should have enough time available for the implementation. They should either be freed from other tasks or they should understand the priorities given to their different tasks. Enough time should in general be allocated to the implementation process (Higgins, 2005).

Creating an implementation plan could help to manage the strategy implementation. The plan should however be balanced, i.e. include detailed information but not too detailed. Having too little detail would not provide enough guidance to the involved employees and could lead to an ineffective and inefficient implementation. On the other hand, too much detail would make the plan rigid and would leave management and the employees unable to correctly respond to changes in the environment (Alexander, 1985).
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes various aspects of research methodology that was employed in this study. These include the research design, data collection and data analysis.

3.2 Research Design

The study was conducted using a case study design. Yin (1984), defines a case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context when the boundaries between phenomenon and context are not clearly evident and in which multiple sources of evidence are used. The study focused on interpreting in-depth details concerning the challenges to strategy implementation at Unga Group Limited and how the company can overcome the strategy implementation challenges.

This method gave an in-depth explanation of the challenges to strategy implementation at Unga Group Limited and how to overcome these challenges. This research design was successfully used by Muniu (2010), Koske (2004) and Ogwora (2006) among others.
3.3 Data Collection

To meet the objectives of the proposed study, the researcher collected relevant primary data and secondary data. Secondary data was obtained from the Gantt charts, training schedules, Strategic implementation gap analysis, key skill area matrix and the project charter.

Data from five senior management staff of Unga Group Limited comprising of Plant Manager, Production Manager, Group Human Resource Manager, Product Development Manager and General Manager was collected by way of personal interview guided by an interview guide.

The interview guide used probing questions covering issues on the challenges of strategy implementation and the measures of mitigating these challenges. This facilitated a more in-depth interaction with the respondents of the study.

3.4 Data Analysis

Content analysis was used to analyze the data collected. According to Mugenda (2003), content analysis is the systematic qualitative description of the objects or material of the study. It involves observation and detailed description of objects, items or things that comprise the study.
Content analysis was conducted on data obtained from the discussions. The data recorded during the interviews was analyzed for common themes cited by different respondents to establish whether the challenges noted in the literature review as experienced in other organizations and reported by various writers are also experienced in Unga Limited in similar magnitude.
CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis and findings of the study. The research objective was to establish strategy implementation challenges and to determine the measures that Unga Group Limited can take to deal with these challenges. The view presented is a convergence of the opinions of the respondents who are knowledgeable people with over 5 years work experience with Unga Group Limited at a senior level. Content analysis was conducted on data obtained from the discussions and the data recorded during the interviews was analyzed for common themes cited by different respondents. The findings have been summarized in similar manner to the interview guide.

4.2 Strategy Implementation at Unga Group Limited

The study was designed to establish the strategy implementation activities at Unga Group Limited. The top management of Unga Group limited is based in the central support office which is headquartered in Nairobi. The General Manager, the Product Development Manager and the Group Human Resource Manager are based in Nairobi. The Plant Manager and the Production Manager work at the plant level.

The study established that the management staff at Unga does not have the appropriate skills that can facilitate successful strategy implementation. The respondents
however stated that majority of the supervisors from various sections have a little knowledge on how to execute and implement strategies.

The Group Human Resources Manager stated that they have comprehensive Management, Kaizen and Technical skills that have been developed for all the sections as shown in appendix III which shows the skills matrix for various departments. The Group Human Resource Manager commented that “Our staff spent most of their time focusing on their key skill areas because the overall skill score is a very important component to the achievement of their goal score.” The lower lever staffs have Kaizen and the technical skills while the middle level managers and the top management have the management, Kaizen and technical skills. These skills are developed and managed through the training within industry program which involves the job instruction training, job methods training and job relations training. Evaluations of these key skill areas are done on quarterly basis and the action plans are drawn which forms the basis of the training needs analysis which is used in coming up with the training programs.

The study found out that Unga Group Limited has a training programme as shown in appendix IV. It is implemented according to the training schedule which is done at the Plant level. However, most of the trainings conducted are linked to the key skill areas of each and every staff but they are not geared towards strategy implementation. The training programme in place is meant to improve on the key skill areas within the company which include the Kaizen, management and technical skills. The other objective of the training program in place is to improve the staff goal score and this in the end
according to the Group Human Resources Manager helps in attaining the high performance organization score which is an index of measuring the overall company performance.

Unga Group Limited has a staff performance appraisal process called Hoshin Kanri (Focused Direction) which contains a set of measurable target with critical success factors that is reviewed on a monthly basis. This model of performance management is structured in a way that the goals for the General Manager are deployed down to the plant level such that every staff in the organization has a goal that is linked to the General Managers goals. This is the second year since this system of performance management was introduced at Unga Group Limited and it has various strategies of achieving the individual staff goals. These strategies are done though Kaizen projects which are done at the departmental level and these projects are reviewed on a monthly basis together with the staff goals. The reviews are conducted both at the central support office and at the plant level. The heads of various departments at the plant level are reviewed by the Plant Manager who is in charge of the plant and the Plant Manager and the Production Manager on the other hand are reviewed by the General Manager. Some of the strategies for the Plant Manager are linked to the plant overall strategy and this is where there is a link between the overall strategy and the specific goals of the plant manager. The commitment by the plant to carry out a strategy related project is done through the company project charter.

The study established that the recruitment policy is future oriented by nature of its statement. It states that “The Human Resource Department shall identify the needs of the
company that relate to current and future labor demands. Various jobs and roles needed shall be identified within the company to meet current and future goals related to production and growth.

Once identified, clear and concise job descriptions and duties shall be developed to ensure that recruitment remains streamlined and aimed at efficient recruitment and hiring.” The statement extracted from the recruitment policy signifies that it supports the strategic management process.

The study found out that Unga Group Limited has an annual work plan which is monitored in the form of the Gantt chart. Other projects are carried out by the small teams called Kaizen projects, these teams are headed by the process owners and most of the projects are geared towards improving the efficiency in the company process flows. The Gantt charts contain the activities to be undertaken at stated period and the end dates by which the implementation must be complete. The Gantt chart reveals that there are some implementation activities that were never adhered to in terms of datelines.

4.3 Strategy Implementation Challenges at Unga Group Limited

The study was designed to establish the strategy implementation challenges experienced at Unga Group limited during strategy execution. The nature of the industry that Unga Group Limited operates is very dynamic and challenging thus the company has to constantly change its business strategy in order to remain relevant in the turbulent environment.
The study established that the leadership team comprising of the middle level and the top level management both has a role to play in strategy formulation and strategy implementation process. The respondents stated that the leadership team held seminars and meetings for purposes of monitoring and provision of the feedback of the implementation process.

The Plant Managers and the departmental heads acted as the champion of the implementation process to ensure that the process is as effective and efficient as possible. They also acted as communication agents of the strategy to their direct reportees and the communication was done using the roadshows, plant kamukunjis and through the Kaizen related projects. Site steering committees coordinated the projects that were being used for implementation and most members in the committee where from different departments.

Strategy implementation demands ownership at all levels of management. The execution tasks, jobs, and responsibilities vary across levels, but they are interdependent and important. Execution is a key responsibility of all the stakeholders within the organization. The study established that Unga Group Limited took an early and aggressive action to institutionalize the strategy within the firm. The Group Managing Director demonstrated visible ownership of the firm's strategy by communicating clearly
about the details, value and importance of the strategy to all the staff through the road show events.

This elicited a positive input and support from the lower level staff and the union shop stewards and their willingness to champion the strategy implementation activities. This assisted in generating buy in among the staff leading to greater overall support for the strategy implementation activities and the changes inherent in its execution. The Group Managing Director in his presentation in one of the roadshows to the staff said that “in life, there are reasons and results, and what matters are the results.” This statement according to the Plant Manager meant that irrespective of the tough initiatives required during strategy implementation, strategy execution must be achieved.

Ownership was not fully achieved despite the fact that the management demonstrated leadership in building commitment for strategy implementation from the employees. Resistance to participate in strategy implementation projects was experienced from some section of the staff.

The availability of resources, in terms of staff, skills, knowledge, finance and time, is crucial part of strategy implementation. In essence, resources represent the strengths that the company can use to assist with the conception and implementation of strategies. The researcher established that Unga Group Limited has invested considerable resources in its business process among which includes the training programs which are meant to equip the staff with the required intellectual capabilities that will help the company in achieving
its objectives, the employees are also given the opportunity to fully participate in the company projects which provides them with leadership and managerial skills.

People as one of the main important component as a resource is nurtured at Unga Group by a way of developing the required technical skills through training within industry which has mentored and nurtured its talent pool to ensure that they will have no shortage of key skills in the near future. Building of the required competences is being demonstrated by the Human Resources Department through the career development plan which is meant to enhance and promote career growth and succession planning.

The CAPEX which contains all the budgeted items for the financial period reveals that there is considerable amount of the funds set aside for the project related strategy implementation activities. A good example is the funds allocated to the implementation of the new performance management system which was done by an outsourced consultancy firm by the name of Rib Consultancy Group.

Moreover, the study revealed that the company has allocated time for the completion of Kaizen related project with the reviews being done on a monthly basis. Some of the projects are total quality management, total flow management, total productive maintenance and automated maintenance. There were inconsistencies in the response from the Group Human Resources Manager and the Plant Manager, the Plant Manager cited that the finances allocated to the projects are minimal but the Group Human Resource Manager claims that the funds are more than enough to fully implement the strategy related projects.
The study revealed that Unga Group Limited lack the right skills and abilities for strategy implementation. They have the skills matrix in place as shown in appendix III but the makeup of the total skills shows that 70% of the key skill areas are the Kaizen and the technical skills but only 30% relate to the management and leadership skills. The Group Human Resources Manager affirmed that they have comprehensive management, Kaizen and technical skills that have been developed for all the sections as shown in appendix III which shows the skills matrix for various departments. The skills matrix at Unga is meant to improve the efficiency at the operational level but it is not focused on long term activities. The lower level staffs have Kaizen and the technical skills while the middle level managers and the top management have the management, Kaizen and technical skills. These skills are developed and managed through the training within industry program which involves the job instruction training, job methods training and job relations training. Evaluations of these key skill areas are done on quarterly basis and the action plans are drawn which forms the basis of the training needs analysis that is used in generating the training schedule.

Operating environment changes such as in the Customer profiles and this needs to be anticipated and strategies adjusted to match changes in the environment. The study established that all the respondents went through the strategic planning process which included environment analysis, internal analysis, reviewing the vision and strategic focus areas and setting performance measures and implementation plans.
The environmental analysis is a continuous process with the market intelligence report providing the necessary information on the external threats posed by the environment. The market intelligent team is comprised of the sales, distribution and the management team. This team meets the leadership team on a monthly basis to give an update of the market intelligent report and any potential threat to the company in the environment. The Product Development Manager however stated that despite the fact that they have a market intelligence team, they are not able to determine and anticipate all the potential threats in the environment thus the company is not immune to external threats hence this poses as a challenge to the activities of strategy implementation.

The researcher revealed that there is an escalation communication channel at Unga Group Limited and the department in charge of communication is the public relations. All the activities within the company are communicated through the company intranet, newsletter and also through the roadshows where the management meets employees to discuss the progress of the company performance, projects and corporate social responsibilities initiatives. Strategy implementation progress is also communicated to the staff and employees are told of the activities of the next phase of the strategy implementation and what is expected from the staff. The roadshows events are held after every six month and it is spearheaded by the General Manager and the Group Human Resources Manager.
Department heads hold departmental meetings with their teams to review the project plan in greater depth. During these meetings, managers explain what the project plan means for the department and they solicit feedback and suggestions to be used for effective implementation of the strategy-related projects. This at Unga is referred to as a second-tier meeting which is done by departments and the third-tier meeting comprises of the departmental heads and is headed by the Plant Manager at the site. During the third-tier meeting, the feedback from the staff that arise from the second-tier meeting are discussed in detail after which the Plant Manager now consolidates the feedback from the plant level and then presents it to the leadership team during their quarterly meetings. The leadership team will only implement what is feasible and the feedback of the implementation of the staff suggestions is done through the Plant Manager who will escalate it downwards to the plant.

The study revealed that there is a formal strategic planning process which includes environment analysis, internal analysis, reviewing the vision and strategic focus areas and setting performance measures and implementation plans. However, much of what is in the implementation plan by the use of Gantt chart, there is no concrete evidence to link the strategy implementation activities with the strategy formulation. This is because there are many Kaizen projects within the company and some of the projects are meant to facilitate faster implementation of activities but others are purely for operational issues. A Kaizen project on plant cost reduction is linked to the overall strategic objective but projects related to total flow management are not clearly linked to the objectives of the overall strategy.
The study established that there is clarity on the objectives of the strategy at Unga Limited, this is because there are many strategy related projects which are in place that employees are undertaking and this provides a clear clarity of the objectives. Presentations of these projects are done on a monthly basis hence the employees are well versed with the objectives of the strategy.

The study established that the responsibilities of strategy implementation are incorporated to the managers annual goal document which runs for one financial year from June to June. Most of the responsibilities have been broken down to manageable tasks and the managers have also deployed a similar goal to his direct repotees. Tasks and activities that employees should take are not clearly stated in their job descriptions and in their annual goal document, instead there is a mixture of operational and Kaizen related tasks and activities.

The study also established that some staff did not welcome the new strategies in a positive way when they were rolling out the strategy related projects like total quality management, they were so reluctant in taking part of the implementation activities, this necessitated the Group Human Resource Manager to institute a reward system where by a percentage of the savings as a result of project initiatives would go to the participants and this yielded the results because there were more savings to the company as a result of the implementation of the projects.
The respondents at the plant cited the existing reporting structure as a challenge during strategy execution, the respondents stated that in case major decisions are to be made, the Leadership team at the central support office must be the ones who are making the decision. The kind of structure at Unga Group Limited is that the overall decisions are made by the top management and this in most cases takes time because there must be consultation before a decision is reached.

The response from the Group Human Resource Manager indicates that there is a high turnover rate for both the management and the subordinate staff and this is a challenge that Human Resource as a department is facing. The Group Human Resource Manager acknowledged that the retention strategy that is used is not effective enough to retain those staff that are distinguished and strong with potential and are able to work in positions that are two grades above their current positions. The Group Human Resource Manager stated that majority of the staff that leave the organization are either in charge of their departmental projects or they are members of the various strategy implementation projects. She further said that when experienced staff depart for retirement or greener pastures, there is a vacuum of intellectual knowledge that goes with them. All the training that Unga Group Limited has carried out to enable its staff to gain knowledge is now gone with the exit of the staff. This is costly because giving the job to a less experienced person that needs time away from the job to get trained can delay productivity and the implementation of strategy related departmental projects.
4.4 Measures to Mitigate the Challenges of Strategy Implementation

The study was designed to establish whether Unga Group Limited has various measures in place to manage and mitigate the challenges that it faces during strategy implementation. The first step in ensuring successful implementation of the strategy is the leadership team taking an early and aggressive action to institutionalize the strategy within the company. The leadership team must demonstrate visible ownership of the company’s strategy, communicating clearly about the details, value and importance of the strategy. The leadership team should also seek input and support from the employees and request their help in championing the strategy. Administrative procedures need to be adequately in place to facilitate smooth operationalization of the strategy.

A successful strategy implementation requires that the organizations administrative elements have a strategy supportive structure, a supportive budget, competent employees in right jobs, well laid down performance targets, internal supportive administrative systems, and visionary leadership that motivates and manages the change process in a conducive, innovative and responsive work environment.

The outcome of the study indicated that leadership was not a challenge during strategy implementation. The leadership team comprising of the middle level and the top level management both had measures in place to mitigate the potential challenge of ineffective leadership during strategy implementation. The respondents stated that the leadership team used seminars and meetings for purposes of monitoring and provision of the feedback of the implementation process to the employees.
The Plant Managers and the departmental heads championed the execution of the strategy and they were there to provide guidance and direction to the staff at the operational level. The three levels of meetings that are the first, second and the third tier meetings at the plant level was very effective and that are why the information flow was easy to achieve.

The study established that Unga Group Limited took an early and aggressive action to institutionalize the strategy within the company in order to build ownership of the strategy and related implementation activities. However much that the Managing Director took the initiative to demonstrate ownership to the employees, there was still resistance from some sections of staff. The Plant Manager commented that “Some subordinates felt that the entire strategic management process is an initiative of the leadership team and hence they should also carry on with the implementation.” This is a clear indication that not all the employees were in the same boat. The positive input and support elicited from the lower level staff and the union shop stewards and their willingness to champion the strategy implementation activities at earlier stages did not last for long and constant effort by the management to inculcate ownership through departmental projects as a measure of mitigating the challenge did not bear much results.

The study established that availability of resources in terms of staff, skills, knowledge, finance and time did not pose a major challenge during strategy implementation process. Unga Group Limited has measures in place to mitigate potential challenges
related to the resources. They have invested considerable resources in training and mentoring programs which are meant to equip the staff with the required intellectual capabilities that will help the company in achieving its strategic and operational objectives.

Measures are in place to cater for the required technical skills through training within industry which has seen the Unga limited develop a skills matrix which comprises of the technical, managerial and Kaizen skills. This has enabled the company to have a talent pool of staff with intellectual capability to ensure perpetuity of the company.

Measures are in place to mitigate the potential financial challenges by way of CAPEX (Budget). The CAPEX for every financial period reveals that there is considerable amount of the funds allocated to the project related strategy implementation activities. The implementation of the new performance management called Hoshin Kanri received more funding due to the support provided by the Rib Consulting Group. The study also established that Unga Group Limited has provided considerable time for Kaizen related strategy projects with the reviews and gap analysis being done on a monthly basis. The researcher noted that there was inconsistencies in the response from the Group Human Resources Manager and the Plant Manager, the Plant Manager states that the finances allocated to these projects are minimal but the Human Resource Manager claims that the funds are more than enough to fully implement the strategy related projects.
The study revealed that Unga Group Limited lack the right skills and abilities for strategy implementation, they have the skills matrix in place but the structure of the total skills shows that 70% of the key skill areas are the Kaizen and the technical skills but only 30% relate to the management and leadership skills. The Group Human Resources Manager confirmed that they have broad management, Kaizen and technical skills that have been developed for all the sections.

The lower level staffs have Kaizen and the technical skills while the middle level managers and the top management have the management, Kaizen and technical skills. These skills are developed and managed through the training within industry program. There are no strategies for nurturing special skill and abilities required for strategy implementation process.

The study established that important risks due to internal and external factors not being identified properly before the start of and during the implementation poses as a challenge to Unga Group Limited because the current market intelligence team in place tasked with environmental audit to enable the company to cushion itself against external threats is not able to provide enough information and solutions. The outcome of the study reveals that there is no external support for the market intelligence team to efficiently provide the leadership team with the advice and guidance in the face of turbulent and unstable market conditions.
The researcher established poor and ineffective communication did not pose as a challenge to strategy implementation. This is because the company has a communication escalation structure with lateral, bottom up and top down structure which is utilized by both the leadership team and the employees.

All the activities within the company are communicated through the company intranet, newsletter and also through road shows events where the management meets employees to discuss the progress of the company strategy implementation projects and corporate social responsibilities initiatives. Strategy implementation progress is communicated to the staff and employees are told of the activities of the next phase of the strategy implementation and what is expected from the staff.

Disconnect between strategy formulation and strategy implementation posed as a challenge during the strategy implementation process. The study established that however much that there is the implementation plan by the use of Gantt chart, there is no concrete evidence to link the strategy implementation activities with the strategy formulation. This is because there are many Kaizen projects within the company and some of the projects are meant to facilitate strategy implementation activities but others are purely for operational efficiency. A Kaizen project on plant cost reduction is linked to the overall strategic objective but majority of other projects are related to total flow management and are not clearly linked to the objectives of the overall strategy thus there is no measure in place to mitigate this problem.
Lack of clarity on the objectives of the strategy, responsibilities, tasks and activities that employees should take did not pose as a challenge during the strategy implementation. The study established that there is clarity on the objectives of the strategy at Unga Limited because the leadership team through the Group Managing Director, The Group Human Resource Manager and the Plant Manager communicate clearly to the staff of what is expected of them during the road show events and departmental meetings. Moreover, strategy related projects which are in place that employees are undertaking provide a clear clarity of the departmental and individual objectives to be achieved. The effective communication and strategy related project undertaken by employees provide a good avenue for the clarity of strategy objectives.

The study also established that there were some employees who were reluctant in embracing strategic implementation activities and they were resistant in participating in the strategy related projects. The measure for mitigating this challenge was done through establishing reward system whereby the employees get the bonus from the savings generated as a result of implementation of the projects.

The existing reporting structure is a challenge during strategy execution, the respondents stated that major decisions are made at the central support office and this is a challenge at the site level because the decisions take long to be agreed upon and communicated down to the plant.
The outcome of the study indicates that high turnover rate for both the management and the subordinate staff poses as a challenge to Unga Group Limited because they are losing the intellectual capability whom the company has invested a lot of resources in terms of training and career development. There is a measure to mitigate this challenge through the retention strategy but it is not effective enough to retain that staffs that are distinguished and strong with potential. Majority of the staff that leave the organization are either in charge of their departmental projects or they are members of the various strategy implementation projects and this affects the strategy implementation activities.

4.5 Discussion

The findings of the study on strategy implementation at Unga Group Limited reveal that the company has a well structured leadership team which is charged with the responsibility of ensuring that the strategy implementation process is successful at the corporate level. At the plant level, the leadership of strategy implementation is also designed in a manner that the influence of both the Plant Manager and the departmental heads is effective and this is demonstrated by coordinated management of the strategy related projects at the plant level. The findings do not support the literature related to ineffective leadership as a challenge to strategy implementation as stated by Al-Ghamdi (1998) who found out that ineffective coordination of implementation activities is one of the causes of failure of strategic implementation activities.

The findings of the study on ownership of the strategy and related implementation activities indicates that efforts were made to institutionalize the strategy within the company in order to build ownership among the staff, however much that the Managing
Director took the initiative to demonstrate ownership to the employees, there was still resistance from some sections of staff and hence the measure that they adopted to build commitment and ownership did not fully materialize. This could be the reason as to why there was resistance by some employees to participate in strategy related projects. The findings supports the literature related to ownership of the strategy and related implementation activities as a challenge during strategy implementation as stated by Alexander (1985) who found that when employees and managers are not at all involved in the formulation of the strategy, it will be more difficult for them to feel ownership of the strategy.

The findings of the study on availability of resources in terms of staff, skills, knowledge, finance and time reveal that it is not a challenge to strategy implementation at Unga Group Limited, they have measures in place to cushion themselves against any possible shortage in terms of staff, skills, knowledge and finance. They have the annual CAPEX which allocates the financial resources for the strategy related projects. They also have the training within industry program which is meant to nurture and develop the key skill areas for the organization. The findings do not supports the literature related to inadequacy of any form of resources as a challenge to strategy implementation as stated by Swartz (1985).
The findings of the study on lack of the right skills and abilities for strategy implementation reveals that Unga Group Limited has the skill matrix in place for the key skill areas which is managed through training within industry program. The structure of the total skills shows that 70% of the key skill areas are the Kaizen and the technical skills but only 30% relate to the management and leadership skills. The lower level staffs have Kaizen and the technical skills only while the middle level managers and the top management have the Management, Kaizen and Technical skills. There are no programs for nurturing special skill and abilities required for strategy implementation process. The technical and managerial skills in place are utilized and nurtured for effective performance of operational activities and for improving the abilities of the employees to the heights of their goals. This supports the findings of Alexander (1985) who states that lack of the right skills and abilities of the people involved in the strategy implementation have also been found to cause problems.

The findings of the study on important risks due to internal and external factors not being identified properly before the start of and during the implementation reveals that Unga Group Limited are heavily relying on their market intelligence to identify and manage the potential external risks to the company, the Product Development Manager acknowledged that the team cannot be fully relied on to identify and mitigate the high risks from the external environment. This could be attributed to the many roles that the members in the market intelligence team could be having hence not fully being committed to risk identification.
The finding supports the finding of Corboy and O’Corrbui (1999) who found that major problems can occur during the implementation which causes delays or even inability to implement the strategy.

The findings of the study on poor and ineffective communication as a challenge to strategy implementation reveals that there is a communication escalation structure with lateral, bottom up and top down formation which is utilized by both the leadership team and the employees. Unga Limited has got a department that is in charge of communication and all the activities within the company are communicated through the company intranet, meetings, roadshows events and newsletters. The progress of the company performance, strategy implementation activities and corporate social responsibilities initiatives are communicated to the staff. The findings do agree with the literature related to poor or ineffective communication where Alexander (1985) found that when information is not flowing effectively from bottom to top, top management may not be aware of problems jeopardizing the implementation of the strategy and therefore, notable to respond to these problems.

The findings of the study on disconnect between strategy formulation and strategy implementation reveals that however much that there is the implementation plan by the use of Gantt chart, there is no concrete evidence to link the strategy implementation activities with the strategy formulation. There are many Kaizen projects within the company and some of the projects are meant to facilitate strategy implementation activities but others are purely for operational efficiency.
The findings support the literature related to disconnect between strategy formulation and strategy implementation where Giles (1991) states that strategies are often formulated without considering the implementation that is needed to actually put the strategy to action.

The findings of the study on lack of clarity on the objectives of the strategy, responsibilities, tasks and activities that employees should take reveal that the leadership team through the Group Managing Director, The Group Human Resource Manager and the Plant Manager communicated clearly to the staff of what is expected of them during the road show events and departmental meetings. Moreover, strategy related projects which are in place that employees are undertaking provide a clear clarity of the departmental and individual objectives to be achieved. The findings do not support the literature related to lack of clarity on the objectives of the strategy, responsibilities, tasks and activities that employees should take during implementation process. The findings disagree with the conclusion of Beer et al (2000).

The findings on the reporting and decision making structure of Unga Group Limited reveals that major decisions are made at the central support office and this is a challenge at the site level because the decisions take long to be agreed upon and communicated down to the plant. This findings conforms to Chandler (1962) findings that there is a need for building an internal organization structure that is responsive to the needs of the strategy.
The new findings from the study reveal that there were some resistances from some of the employees because they were reluctant in participating in strategy related projects. This could be attributed to the weak ownership strategies that the company used when they were building commitment and ownership from the staff. More robust and all inclusive strategies could have been used to solicit for support in implementation strategies from the subordinates.

The findings of the study on high turnover rate for the employee reveal that Unga Group Limited is losing the intellectual capability whom it has invested a lot of resources in terms of training and career development. The staffs that leave the organization are either in charge of their departmental projects or they are members of the various strategy implementation projects and this affects the strategy implementation activities. The difference in the findings discussed above could be attributed to contextual, conceptual and methodological basis upon which the study was conducted.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The purpose of this chapter is to consolidate the outcomes of this study in line with its main objective. It will also include recommendations to key stakeholders based on the research findings and propose ideas for future research. The objectives of the study were to establish the strategy implementation challenges experienced at Unga Group limited during strategy execution and to determine the measures that Unga Group Limited will take to deal with the strategy implementation challenges. This chapter sets out a summary of key findings, discussions and conclusions drawn from the study as set out in the previous chapter.

5.2 Summary

One of the most pertinent determinants of corporate success is how effective an organization’s chosen strategy gets implemented. Such implementation requires that the strategy is not only operationalized but also appropriately institutionalized. While the former requires action planning, the latter requires alignment of the strategy with the internal factors of the organization.
Unga Group Limited human resources management practices support the strategy implementation process, there is a staff performance appraisal process called Hoshin Kanri (Focused Direction) which contains a set of measurable target with critical success factors. Some of the goals for the plant manager are related to the plant overall strategy and this is where there is a link between the overall strategy and the specific goals of the plant manager.

Unga Group Limited has an annual work plan which is monitored by use of the Gantt chart. Other projects are carried out by the small teams called Kaizen projects, these teams are headed by the process owners and most of the projects are geared towards improving the efficiency in the company process flows and others are related to strategy implementation activities. The training within industry has enabled the company to have an effective management of the staff skills for key skill areas but there are comprehensive management, Kaizen and technical skills that have been developed for all the departments. However much that they have the skill matrix in place, there are no specific skills that can enhance strategy implementation activities.

The findings of the first objective revealed that lack of the right skills and abilities for strategy implementation, ownership of the strategy and related implementation activities, disconnect between strategy formulation, high staff turnover rate and the reporting and decision making structure were identified as having posed a challenge to the implementation of the strategies.
The finding of the study on ownership of the strategy and related implementation activities indicates that efforts were made to institutionalize the strategy within the company in order to build ownership among the staff. However much that the Managing Director took the initiative to demonstrate ownership to the employees, there was still resistance from some sections of staff who felt that the entire process of strategic management belonged to the leadership team.

The findings of the study on lack of the right skills and abilities for strategy implementation reveal that Unga Group Limited has the skill matrix in place for the key skill areas but there are no skills and competencies that can help the company in strategy implementation activities.

The findings of the study on important risks due to internal and external factors not being identified properly before the start of and during the implementation reveals that the company heavily relies on their market intelligence team to identify and manage the potential external risks to the company of which the team cannot fully identify and mitigate the high risks from the external environment hence Unga Group Limited is not immune to the threats of the external environment.
The findings of the study on disconnect between strategy formulation and strategy implementation reveals that however much that there is the implementation plan by the use of Gantt chart, there is no concrete evidence to link the strategy implementation activities with the strategy formulation because there is a mixture of the operational and strategic related projects.

The findings on the reporting and decision making structure of Unga Group Limited reveals that major decisions are made at the central support office and this is a challenge at the site level because the decisions take long to be agreed upon and communicated down to the plant.

The findings from the study reveal that there were some resistances from some of the employees because they were reluctant in participating in strategy related projects. This could be attributed to the weak ownership strategies that the company used when they were building commitment and ownership from the staff.

The findings of the study on high turnover rate for the employee reveal that Unga Group Limited is losing the intellectual capability whom it has invested a lot of resources in terms of training and career development. The staffs that leave the organization are either in charge of their departmental projects or they are members of the various strategy implementation projects and this affects the strategy implementation activities.
The findings of the second objective revealed that Unga Group Limited did not have robust measures in place to mitigate the challenges related to that high staff turnover rate, reporting structure, ownership of the strategy and implementation activities, lack the right skills and abilities for strategy implementation and important risks due to internal and external factors not being identified properly before the start of and during the implementation.

The findings of the study indicates that high turnover rate for both the management and the subordinate staff is a challenge because the company is losing the intellectual capability whom the company has invested a lot of resources in terms of training and career development. The measure to mitigate this challenge through the retention strategy is not effective enough to retain the staffs that are distinguished and strong with potential that could be helping the company in strategy implementation activities.

The existing reporting structure is a challenge during strategy execution because major decisions are made at the central support office and the decisions take long to be agreed upon and communicated down to the plant. There is not measure in place to mitigate this challenge.
The findings of the study indicate that Unga Group Limited lack the right skills and abilities for strategy implementation, they have the skills matrix in place which are utilized and nurtured for effective performance of operational activities. The training within industry program in place is not geared to building the pool of talent that can help the organization during strategy implementation activities hence having no concrete measure to nurture talent pool of people that can help in strategy implementation activities.

5.3 Conclusion

The first step in ensuring successful implementation of the strategy is the leadership team taking an early and aggressive action to institutionalize the strategy within the company. The team must demonstrate evident ownership of the company’s strategy, communicating clearly about the details, value and importance of the strategy. Administrative procedures need to be adequately in place to facilitate smooth operationalization of the strategy.

A successful strategy implementation requires that the organizations administrative elements have a strategy supportive structure, a supportive budget, competent employees in right jobs, well laid down performance targets, internal supportive administrative systems, and visionary leadership that motivates and manages the change process in a conducive, innovative and responsive work environment.
In conclusion and from the findings therefore, lack of the right skills and abilities for strategy implementation, ownership of the strategy and related implementation activities, disconnect between strategy formulation, high staff turnover rate and the reporting and decision making structure were seen as the main challenges faced by Unga Group Limited in strategy implementation. Unga Group Limited did not have robust measures in place to mitigate the challenges related to that high staff turnover rate, reporting structure, ownership of the strategy and implementation activities, lack the right skills and abilities for strategy implementation and important risks due to internal and external factors not being identified properly before the start of and during the implementation.

Ownership was demonstrated by the leadership team and in particular the Group Managing Director used the available communication channel to solicit for commitment and support but this did not work out well. Leadership, effective communication, supportive budget in terms of the CAPEX and clarity of strategic objectives were in place and this did not affect the strategy implementation activities. There is a need for Unga Limited to build an internal organization structure that is responsive to the needs of the strategy such that major decisions are delegated down to the plants so that much time is not wasted in waiting for decisions from the central support office. The high employee turnover rate experienced at Unga Group Limited is a major challenge because it diminishes the intellectual capability that the company has invested a lot of resources and time nurturing. This affects the strategy related projects because those in charge of the project and its members leave the company.
The Product Development Manager noted that despite the fact that they have a market intelligence team that is there to provide the company with important risk from the external environment, they are not able to determine and anticipate all the potential threats in the environment and hence the company is not immune to external threats. It is against the background of this argument that the researcher concludes that the study concurred with the open system theory.

5.4 Implication on Policy and Practice

Strategy formulation should be linked with strategy implementation. The organization should consider all the important elements during strategy formulation in order to properly allocate resources, build commitment and nurture a positive culture to ensure successful strategy implementation.

The management of Unga Group Limited should come up with the key technical skills for its management staff so that they can have a pool of talent that can help the management in strategy implementation process. This will be a very important basis of coming up with the training programme which when implemented will eliminate the inadequate skills and capabilities required for implementation. The management should build an internal organization structure that is responsive to the needs of the strategy such that major decisions are delegated down to the plants so that much time is not wasted in waiting for decisions from the central support office.
The market intelligence team should be supported by management by building more capacity so that the team is well equipped with the necessary resources and competences that help them be able to anticipate and identify the potential high risk factors in the environment that can affect the strategy implementation activities. The team should be freed from other tasks so that they can concentrate on market intelligence and the dynamics in the environment.

5.5 Limitations of the Study

Every study certainly encounters certain limitations due to a variety of factors. The researcher encountered conceptual, contextual and methodological limitations. Respondents who were the Group Human Resource Manager and other senior managers were busy hence the tendency not to give in-depth attention to the interview. Interviewing managers at this level in organization on strategy implementation is like asking them for a self evaluation, expected responses therefore are likely to be more positive than the true situation. Views from the lower level would have added the necessary balance on the challenges and how the firms were responding to them.

The study was limited to Unga Group Limited and it could therefore give a general picture of strategy implementation, it challenges and how these challenges are addressed by other milling firms in Kenya. Thus the study cannot be taken as the actual representative of the situation within the milling industry in Kenya as the findings of this study are organizational specific and apply to Unga Group Limited.
The study focused only on the strategy implementation aspect of strategic management process. Thus it did not focus on other aspects of the strategic management process which includes formulation as well as the control, monitoring and evaluation aspects. These are important components part of strategic management process and should therefore not ignored.

5.6 Recommendations for Further Research

A study should be undertaken in all milling industries in Kenya that will focus on the entire strategic management process which includes formulation, control, monitoring and evaluation aspects, this will give an actual representative of the situation within the milling industry in Kenya.
REFERENCES


APPENDICES

APPENDIX I: Letter of Introduction

Date…………………………………………………………
…………………………………………………………
…………………………………………………………
…………………………………………………………

RE: COLLECTION OF STUDY DATA

I am a postgraduate student at the University of Nairobi, pursing a course in Master of Business Administration (MBA), School of Business. As part of my course work assessment, I am required to submit a management research project. In this regard I am undertaking research on “Strategy Implementation Challenges at Unga Group Limited Nairobi.”

The purpose of this letter therefore, is to ask you to kindly assist me by responding to the attached interview guide. The information provided will be used exclusively for academic purposes and your name will not appear on any report. I will telephone in two days so that we can agree on a convenient interview date. My supervisor and I assure you that the information you will provide will be treated in strict confidence. A copy of the final paper will be availed to you upon request. Your cooperation will be highly appreciated.

Yours sincerely,

Josephat Rotich
MBA Student

DR Vincent Machuki
Supervisor
APPENDIX II: Letter of Introduction From The University

TO WHOM IT MAY CONCERN

The bearer of this letter Mr. Josephat Rotich

REGISTRATION NO: D61/60710/2011

The above named student is in the Master of Business Administration degree program. As part of requirements for the course, he is expected to carry out a study on "Strategy implementation challenges at Unga Group Limited Nairobi"

He has identified your organization for that purpose. This is to kindly request your assistance to enable him complete the study.

The exercise is strictly for academic purposes and a copy of the final paper will be availed to your organization on request.

Your assistance will be greatly appreciated.

Thanking you in advance.

Sincerely,

MR. CHARLES DEYA
ADMINISTRATOR, SOB, KISUMU CAMPUS
Cc File Copy

ISO 9001:2008
The Fountain of Knowledge
Providing leadership in academic excellence
APPENDIX III: Interview Guide

Section A: Details of Respondent

1 Respondent Name
2 Position held
3 Number of years in the position
4 Departments

Section B: Strategy Implementation at Unga Group Limited

Being guided by the factors listed below, how would you describe strategy implementation at Unga Group Limited?

- The management staff have the skills that enable successful strategy implementation
- Unga Group Limited has an employee training programme geared towards strategy implementation.
- The recruitment policy of Unga Group Limited supports strategy implementation.
- Staff performance appraisal support strategy implementation.
- Unga Group Limited has annual work plan in place to support strategy implementation.

Section C: Strategy Implementation Challenges

Organizations face various challenges in their quest to implement their strategies. What is the experience of Unga Group Limited with the following challenges as far as the strategy implementation process is concerned.

- Ineffective leadership during the implementation process
- Ownership of the strategy and related implementation activities
- Inadequacy resources
- Lack of the right skills and abilities for strategy implementation
- Important risks due to internal and external factors not being identified properly before the start of and during the implementation.
- Poor or ineffective communication
- Strategies are often formulated without considering the implementation
- Lack of clarity on the objectives of the strategy, responsibilities, tasks and activities that employees should take
Measures to Mitigate Strategy Implementation Challenges

Explain in detail how Unga Group Limited has managed the challenges listed below to ensure success in strategy implementation.

- Ineffective leadership during strategy implementation.
- Staff ownership of the strategy and related implementation activities
- Inadequate resources
- Lack of the right skills and abilities
- Important risks due to internal and external factors not being identified properly before the start of and during the implementation.
- Poor and ineffective communication
- Disconnect between strategy formulation and strategy implementation.
- Lack of clarity on the objectives of the strategy, responsibilities, tasks and activities that employees should take
APPENDIX IV: Key Skill Areas

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**Total Score:** Score

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*Note: The table continues with more rows and columns for additional skill areas.*
# Training Schedule

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**Training Need**

- External Training and Development Needs 2013/2014

**UAG Limited Training Schedule**

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**Task**

- Driver Training
- Peer Education
- Communication Skills
- First Aid
- Site Committee
- Site Committee
- Boiler Operations & Maintenance
- PLC
- Electrical Skills
- Fire Marshals
- Maintenance Planning & Scheduling
- MRO
- Safety Instructions

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**Target Person(s)**

- 2
- 4
- 6
- 15
- 7
- 9
- 5
- 3
- 11
- 1
- 3
- 5

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**Comments**

- By when completed

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APPENDIX VI: Project Charter

Project Team
1. David Watuken
2. Stephen Gakure
3. Leo Ngege
4. Ben Kipekemoi

Project Goals
Reduce electricity cost from 8.1 M to 7.7 M

Project Plan
Start date: 15th June 2013
End date: 30th Sept 2013

Financial Impact
Estimated Expenditure: To be confirmed
Estimated Savings: Ksh 4.85M

Business Case (Purpose)
This project supports the plant goal HKE 2013-1 - Project Charter

Unga Eldoret
APPENDIX VII: Implementation Gantt Chart