AN ASSESSMENT OF THE DETERMINANTS OF STRATEGY IMPLEMENTATION AT THE KENYA SUGAR BOARD, NAIROBI

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D53/OL/15464/2008

A Research Project Submitted to the Department of Business Administration, School of Business in Partial Fulfillment of the Degree of Master of Business Administration (Strategic Management) of Kenyatta University

August 2013.
DECLARATION

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

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ACKNOWLEDGEMENT

I would like to take this opportunity to acknowledge my supervisor Mrs. Esther Gitonga and Dr. Gorretty Ofafa for the tireless efforts and sacrifices they made from their busy schedules to ensure the success of this research project.

I would wish to thank my entire family, lecturers and colleagues who contributed in one way or another to the success of this research project. Finally, I thank Almighty God for His blessings and grace.
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ABBREVIATIONS AND ACRONYMS

COMESA Common Market for Eastern and Southern Africa

KSB Kenya Sugar Board

TCD Tons of Cane per Day

KESREF Kenya Sugar Research Foundation

SACCO Savings and Credit Co-operative

US United States

VAT Value Added Tax

ERS Economic Recovery Strategy

GDP Gross Domestic product

SRA Strategy for Revitalizing Agriculture
ABSTRACT

This research study carried out an assessment of the determinants of strategy implementation at The Kenya Sugar Board, the regulatory body of the Kenyan Sugar Industry. The study was guided by four key concepts on strategy implementation: Resource Allocation, Managerial Behavior, Institutional Policies and Rewards and Incentives. The study analyzed the decision process of accepting or rejecting the influence of each of the four independent variables on strategy implementation by the sugar regulator. The research design was a case study carried out at The Kenya Sugar Board headquarters and selected sugar milling factories (Nzoia Sugar Company, Mumias Sugar Company and Chemelil Sugar Company). The population for this study was made up of members of the institutions' middle and top management. The sample for the study was made up of 72 members of the institutions' middle and top management. Of the 72 respondents, 50 responses were from questionnaires while 22 were from interviews. The researcher analyzed the presence, meanings and relationships on the concept of strategy implementation which was summarized in comparison with the theory captured in the literature review. Qualitative and quantitative analysis of data was done in order to answer the four research questions of this study. Descriptive statistical analysis techniques were used. The study used a structured questionnaire and interviews as the data collection instruments. The study concludes that managerial behavior, rewards and incentives and resource allocation are strong determinants of strategy implementation at The Kenya Sugar Board. Institutional policies were revealed to be weak in influencing strategy implementation at The Kenya Sugar Board. The study recommends that the Kenya Sugar Board should ensure that there is proper framework for setting goals, defining key actions and mobilizing resources to fund the activities that will achieve goals of the strategic plan. This will provide an opportunity for the exchange of ideas by key stakeholders in the industry and increase awareness of industry-wide limitations and opportunities leading to a greater appreciation of actions to be undertaken. The Board must also ensure a high level of sensitization among management, and where necessary implement practical programmes for capacity building to improve skill and motivate the willingness to participate by the staff members. Further study is recommended within the concept of strategy in the sugar industry in areas such as corporate governance, strategy and performance, change management that may be of great importance to the body of knowledge and society.
CHAPTER ONE

INTRODUCTION

1.1: Overview

This chapter will present a background and overview of the Kenyan sugar industry, the problem statement, objectives of the study as well as research questions. An analysis of the significance, scope and limitations of the study will also be presented.

1.2: Background of the Study

Agriculture has, for many years, formed the backbone of Kenya's economy. The agriculture sector contributes about thirty per cent of the Gross Domestic Product and accounts for eighty per cent of national employment, mainly in the rural areas. In addition, the sector contributes more than sixty per cent of the total export earnings and about forty five per cent of government revenue, while providing for most of the country's food requirements (Agricultural Sector Development Strategy, 2010-2030). Kenya's agricultural sector directly influences overall economic performance through its contribution to Gross Domestic Product. Periods of high economic growth rates have been synonymous with increased agricultural growth. The sugar sub-sector plays an important role in the country’s economy. It generates an estimated Kshs. 12 billion annually, provides approximately 500,000 jobs, and supports livelihoods of about six million people. There are about 160,000 farmers involved in sugar cane production in the country (Kenya Sugar Research Foundation, Strategic Plan 2005-2015).

The sugar industry in Kenya is facing two major weaknesses. Firstly, the productivity of both the country’s cane (from farms) and the milled sugar (from factories) is low. Our national average yields are lower than those in other sugar producing countries in the region. Secondly, Kenya has the highest sugar production cost in the Eastern and Southern Africa (COMESA) region. It is
estimated that it costs up to US$600 to produce a ton of Kenyan sugar, which is approximately twice what it costs in many of our neighboring countries (Kenya Sugar Research Foundation, Strategic Plan 2005-2015). The current state of sugar industry is primarily as a result of destructive political economy that has seen corruption, mismanagement, lack of political goodwill and poor strategy implementation by regulators ruin the sector. Other problems affecting the sugar industry are inefficiency, low productivity, weak management, distortions in the sugar market, and inadequate credit facilities for sugarcane development, persistent droughts and fires (Kegode, 2005). The result has been a systematic increase in poverty amongst farmers and subsequent decline in the sustainability and efficient growth of the sub-sector. The situation has been exacerbated more by non-sequenced trade liberalization trade policies seeing dumped sugar find its way into the local market.

The Kenya Sugar Board (KSB) is the regulatory body of the Sugar Industry. The mandate of the Kenya Sugar Board involves Regulating, developing and promoting the Sugar Industry, Coordinating the activities of individuals and organizations within the industry, and facilitating equitable access to the benefits and resources of the industry by all interested parties.

By 2008, the Kenyan sugar industry was expected to have undertaken key reforms in various areas to build competitiveness and introduce efficient management in the sugar supply chain (Kegode, 2005). Most of these reforms, though planned for by the regulator, have failed to take off or materialize. Industry Regulators such as the Kenya Sugar Board (KSB) are continuously involved in industry strategy formulation and implementation. It is important to highlight the factors affecting strategy implementation from the industry regulator’s perspective.
1.2.1: Overview of the Kenyan Sugar Industry
The agricultural sector is the backbone of Kenya's economy and the means of livelihood for most of our rural population. Sustained agricultural growth is critical to uplifting the living standard of Kenyans as well as generating rapid economic growth (Agricultural Sector Development Strategy, 2010-2030). However, in spite of the importance of the agricultural sector, cane farming in Kenya has for many years been predominantly small scale, rain-fed and poorly mechanized, and inadequate infrastructure and institutional support (Njenga et.al, 2012). The Kenya sugar industry can be competitive through the development of strategies which will enhance livelihoods and increase income generation and employment opportunities. According to Ansoff (1990), strategic management is concerned with the broad, long-term future of organizations and the way it will prepare for change to the extent that change is perceived as being a necessary prerequisite of future continued success.

Strategic management is that set of managerial decisions and actions that determines the long-run performance of an organization (Wheelen, et.al, 2010). Strategic management includes scanning for both internal and external environments, strategy formulation, strategy implementation, and evaluation and control. Therefore, Strategic Management is all about identification and description of the strategies that managers can carry so as to achieve better performance and a competitive.

Strategic management is viewed as the set of decisions and actions that result in the formulation, implementation and control of plans designed to achieve an organization's vision, mission, strategy and strategic objectives within the business environment in which it operates (Pearce, et.al, 2011). Thus, strategy could be viewed as administrative affair on its internal and external environment.
1.2.2: Concept of Strategy Implementation

Strategy implementation as a concept is the translation of chosen strategy into organizational action so as to achieve strategic goals and objectives. It involves various management activities that are necessary to put strategy in motion, institute strategic controls that monitor progress, and ultimately achieve organizational goals. According to Sababu (2007), strategy implementation is the process by which strategies and functional policies are put into action through the development of action plans, goals, programmes, budget, procedures, structures, cultures, motivation, communication, leadership, allocation of resources, working climate and enforcement. Strategy implementation can be looked at as the total sum of activities in an organization through mobilization of resources that enables execution of strategic plans. It is the process by which objectives, strategies and policies are put into action through the development of programs, budgets and procedures (Wheelen et.al, 2010).

Strategy implementation is the transfer of a chosen strategy into organizational action so as to achieve strategic goals and objectives. According to Yabs (2010) strategy implementation begins with the analysis of long term plans and breaking them down to small workable annual or short term plan. Strategy implementation is said to be successful if the organization achieves its mission and objectives through the envisaged functional policies. According to Thompson et.al (2007), strategy implementation is an integral component of the strategic management process and is viewed as the process that turns the formulated strategy into a series of actions and then results to ensure that the vision, mission, strategy and strategic objectives of the organization are successfully achieved as planned. Therefore, for a strategy to be successfully implemented it must be made action oriented (Wheelen et.al, 2010).
Once strategies have been developed they need to be implemented as they will be of no value unless they are effectively translated into action (Aosa, 1992). Yet despite this widely accepted and recognized position on strategy implementation, it has been realized that it is often not achieved as easily as the other three concepts of strategy planning: formulation, evaluation and control (Owelle, 2011). Strategy implementation is therefore the translation of chosen strategy objective into organizational action so as to achieve strategic goals and objectives. Implementation of strategy through the goodwill of management and mobilization of resources may enable an organization to develop, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and better performance.

A strategy is never complete until it gains a commitment of the organization’s resources and becomes embodied into organizational activities (Thompson et.al, 2007). According to Yabs (2010) formulation of strategies entails the analysis of the internal and external environment, choosing appropriate strategies which will include designing structures that will facilitate monitoring of progress as the strategy is being implemented. Organization’s management must operationalize its strategies by including all employees within the company so that at the end of the process they will feel that they are part and parcel of the whole strategy implementation process (Yabs, 2010).

Strategy implementation could be looked at as the translation of strategy into organizational action through organizational structure and design, resource planning and the management of strategic change hence institutionalization of strategy (Ansoff et.al, 1990). The success of strategy implementation is based on institutionalization of strategies by organizations where it must gain full commitment of members and resources, and becomes embodied in the
organizational activities. Strategy can be institutionalized within a firm through a series of related measures which jointly protect strategic work from operational, make the strategic work more effective and create a change supporting climate within the firm (Ansoff et.al, 1990). Organizations may undertake successful implementation through operationalization of strategies which involves action plans, operational programs and decisions that take place in all the departments of the organization (Yabs, 2010). An organization’s ultimate success or failure may be based on how well its management team charts the company’s direction, develops competitively effective strategic moves and business approaches and pursues what needs to be done internally to produce good strategy execution and operational excellence (Thompson et.al, 2007).

1.2.3: Background of the Kenya Sugar Industry

The development of the sugar industry in Kenya started with private investments at Miwani in 1922, followed by Ramisi Sugar Company in 1927. After independence, six additional companies were established namely: Muhoroni (1966), Chemelil (1968), Mumias (1973), Nzoia (1978), South Nyanza (1979), West Kenya (1981) and Soin (2006). The establishment of the parastatals was driven by a national desire to accelerate social economic development, address regional economic imbalances, increase Kenyan citizen’s participation in the economy, promote indigenous entrepreneurship; and promote foreign investments through joint ventures. The Kenya Sugar Board has licensed four new white sugar milling factories: Butali Sugar, Kibos Sugar, Sukari Industries (Ndhiwa) and Transmara Sugar Companies with a combined potential capacity of 3,000 TCD. It also expected that in the near future two additional mills will be established at Kwale and Tana River District along the coastal lowlands (Kenya Sugar Board, Strategic Plan 2010-2014).
Despite these investments, self-sufficiency in sugar has remained elusive over the years as consumption continues to exceed supply. Total sugar production grew from 368,970 tonnes in 1981 to an all-time high of 520,404 tonnes in 2007. Domestic sugar consumption increased even faster, rising from 324,054 tonnes in 1981 to 741,190 tonnes in 2007. Consequently, Kenya has remained a net importer of sugar with imports rising from 4,000 tonnes in 1984 to 230,011 in 2007. The country’s annual National sugar deficit on average is 200,000 tonnes of sugar which is mostly imported to cut the deficit. These have the potential to precipitate stiff competition to the domestic sugar industry through imports of cheaper sugar from more competitive Common Markets for Eastern and Southern Africa industries (Kenya Sugar Industry, Strategic Plan 2010-2014). The Kenya Sugar industry has a wide range of stakeholders who play different roles in the industry. They include, the Ministry of Agriculture, Kenya Sugar Board, Kenya Sugar Research Foundation (KESREF), Sugarcane farmers (out-growers) who supply 92% of the cane. Institutions like Out-grower institutions, Unions, Societies and SACCOs whose role is to promote, represent and protect the interest of the farmers. Cane Transporters, Millers and Jaggeries. Other industry stakeholders include: Importers, Financial institutions and consumers (Kenya Sugar Industry, Strategic Plan 2010-2014).

The Sugar industry is a major employer and contributor to the national economy. It is one of the most important crops in Kenya alongside tea, coffee, horticulture and maize. Currently, the industry directly supports approximately 250,000 small scale farmers who supply over 92 percent of the cane milled by the sugar companies. An estimated six million Kenyans derive their livelihood directly or indirectly from the industry. It is also estimated that in 2008, the sugar industry employed about 500,000 people directly or indirectly in the sugarcane business chain from production to consumption. In addition, the industry saves Kenya in excess of US Dollar
250 million (about Kshs.19.3 billion) in foreign exchange annually and contributes tax revenues to the exchequer (VAT, Corporate Tax, personal income taxes). In the sugar belt zones, the sugar industry contributes to infrastructure development through road construction and maintenance, construction of bridges and to social amenities such as education, health, sports and recreational facilities (Kenya Sugar Research Foundation, Strategic Plan 2009-2014).

1.2.4: The Kenya Sugar Industry Strategic Plan

The Kenya Sugar Industry Strategic Plan 2010-2014 has been developed within the context of the on-going national institutional and policy reforms, taking into consideration the country’s new political system and structure of government. The Plan has also taken into account the achievements and lessons learnt during the previous Sugar Industry Strategic Plan 2004-2009, as well as the constraints experienced during its implementation. The plan has incorporated the strategic thrust and agricultural policy proposals contained in the Vision 2030. The plan aims at contributing towards improved livelihoods, income generation and employment creation through generation and promotion of demand driven agricultural and sugar processing technologies and innovations for enhancing productivity, value addition and competitiveness of the sugar industry. Currently, the marketing of sugar in Kenya is uncoordinated, inefficient and benefits only a few traders to the detriment of other key industry players. These has resulted in a scenario where domestic consumption figure are at dispute resulting in instability in supply and demand trends and subsequent flooding of imports into the country and ultimately high consumer prices. Kenya is a net importer of sugar (200,000 tonnes) with majority of imports originating from Common Market for Eastern and Southern Africa (COMESA) under the safeguard clause of 100% tariff on imports. This multilateral agreement was due to expire in February, 2012 but was renegotiated for another two years. The Kenya Sugar Industry Strategic Plan 2010-2014 was
developed to guide the operation of industry and mitigate the recurrence of these problems every now and then.

The Sugar Industry Strategic Plan 2010-2014 is anchored in Kenya Vision 2030 which is the Government’s long term development blueprint for the country. The Vision 2030 was developed following the expiry of the Economic Recovery Strategy for Wealth and Employment Creation (ERS, 2003). The Sugar Industry Strategic Plan 2010-2014 contributes in the attainment of the three pillars of Vision 2030. Under the economic pillar, the industry will play a key role in the attainment of the goals set for programmes in agriculture and manufacturing and to benefit substantially in the wholesale, retail and financial service program through accounting for 15% of agricultural Gross Domestic product (GDP). Under the social pillar the industry will contribute significantly through provision of employment opportunities and wealth creation in the rural areas. In the political pillar the industry will embrace good corporate governance that will create a climate of fairness, transparency and accountability.

The Government developed and launched the Strategy for Revitalizing Agriculture (SRA) in March 2004 to set out the vision of the Government as: To transform Kenya’s agriculture into a profitable, commercially-oriented and internationally and regionally competitive economic activity that provides high-quality, gainful employment to Kenyans. This was to be achieved within the framework of improved agricultural productivity and farm incomes, while conserving the land resource base and the environment. The Government’s vision pointed to a paradigm shift from subsistence agriculture to agriculture as a business that is profitable and commercially oriented. The Strategy for Revitalizing Agriculture (SRA) also gave policy direction and actions that needed to be taken in each agricultural sector to achieve the vision including the sugar industry (Agriculture Sector Development Strategy, 2010-2030).
1.3: Problem Statement

The Kenyan Sugar industry is facing numerous challenges related to high costs, low yield, corruption, mismanagement, lack of political goodwill and poor strategy implementation by regulators. Other problems affecting the sugar industry are inefficiency, low productivity, weak management, distortions in the sugar market, and inadequate credit facilities for sugarcane development, persistent droughts and fires (Kegode, 2005). The purpose of this study was to carry out an assessment of the determinants that influence implementation of strategic plans by the Kenyan Sugar Industry regulator so as to point out the established causes of failure before they take place and to aid in having surveillance to avoid future problems.

Strategy implementation is an integral component of the strategic management process. It is viewed as the process that turns the formulated strategy into a series of actions and results to ensure that the vision, mission, strategy and strategic objectives of the organization are successfully achieved as planned (Thompson and Strickland, 2007). However, according to Flood (2000) there is growing recognition that the most important problems in the field of strategic management are not related to strategy formulation, but rather to strategy implementation and that the high failure rate of organizational initiatives in a dynamic business environment is primarily due to poor implementation of new strategies. The implementation of a strategic plan is anchored on key influential factors such as internal, external, behavioral and systemic factors which include industry structure, human resource, corporate governance, leadership and management, information systems, technology and innovation. Strategic success is a systematic approach to determining changes that have to be made to a firm’s strategy and its internal capability in order to assure the firm’s success in its future environment (Ansoff and McDonnel, 1990).
Strategy implementation has been a major study of research in strategic and organizational management. Implementation of strategy has been analyzed as an independent variable in influencing implementation of strategies in organizational and industrial studies. Lutta (2008) studied the challenges of implementing strategic plan at Mumias Sugar Company; some of the challenges have been addressed and has enabled proper implementation of the company’s strategic plan. Muriithi (2010) studied an evaluation of the long term sources of capital among government owned sugar companies in Kenya; the focus of the study was on what were the sources of capital among government owned sugar companies. Akombo (2009) studied analyzing Kenya sugar industry competitiveness through Porter’s Diamond Model; the study looked into application of Porter’s Diamond Model in enhancing competitiveness in the sugar industry. Owelle (2011) studied the challenges of strategy implementation at Chemelil Sugar Company; the study focused on the origin of the challenges and how they can be addressed towards implementation of the company’s strategic plan. Lastly, Wefwafwa (2009) studied the survey of product diversification strategies adopted by Nzoia Sugar Company; the study looked at various product diversification strategies that can be adopted by the company. None of the above mentioned studies has focused on factors influencing implementation sugar industry strategic plan.

The studies mentioned above look at the various strategic concepts that can be adopted by sugar companies but none of the studies focuses on the determinants of strategy implementation by the Sugar Industry regulator. This study analyzed the decision process of accepting or rejecting the influence of each of the four independent variables (Managerial Behavior, Institutional policies, Resource allocation and Rewards and Incentives) on strategy implementation by the industry regulator.
1.4: Objectives of the Study

The objective of this study was to establish the determinants of strategy implementation at the Kenya Sugar Board.

1.4.1: Specific Objectives

(i.) To assess whether Managerial Behavior is a determinant of effective strategy implementation at the Kenya Sugar Board.

(ii.) Establish whether Institutional policies affect strategy implementation at the Kenya Sugar Board.

(iii.) To determine whether Resource allocation affects strategy implementation at the Kenya Sugar Board.

(iv.) Examine whether Rewards and Incentives influence strategy implementation at the Kenya Sugar Board.

1.5: Research Questions

This study answered the following questions.

(i.) How does Managerial Behavior affect strategy implementation at the Kenya Sugar Board?

(ii.) What role do Institutional policies play in strategy implementation at the Kenya Sugar Board?

(iii.) Where does Resource allocation fit in the effect of strategy implementation at the Kenya Sugar Board?

(v.) How do Rewards and Incentives influence strategy implementation at the Kenya Sugar Board?
1.6: Significance of the Study

The findings of this study will be of value in a number of ways specifically in understanding the factors that have been encountered by the key sugar industry players in the implementation of the industry strategic plan 2006-2009 and the review of the industry strategic plan 2010-2014. The study will be of importance to Kenya Sugar Board as it embarks on the formulation, implementation, evaluation and control of the new sugar industry strategic plan to be developed in line with the Agricultural Sector Development Strategic plan 2009-2020 and Vision 2030. The findings of the study will add into the existing knowledge on strategic management and be used as a point of reference in future by academicians.

The findings of the study will be used as a benchmark by policy makers in developing future strategic plan for the industry. It will enable policy makers to promote rehabilitation of the industry, modernization and expansion of the factories to maintain sufficient capacity for the production of sugar to meet domestic requirements.

Finally, the findings of this study will be used to measure how the sugar industry transforms itself to increased profitability and efficiency through good corporate management that will bring about sound management practices.

The research study will also contribute knowledge in the area of strategy implementation within regulatory organizations and specifically within the sugar sub-sector. It will assist the organization in question and similar organizations globally to address key factors, internal and external, controllable and uncontrollable that influence strategy implementation resulting in improved control of resources and performance within the organizations. It will also provide information to future scholars and researchers who might need to research on the dynamics of strategy implementation within such regulatory bodies.
1.7: Scope of the Study

The study covered an assessment of the determinants of strategy implementation at the Kenya Sugar Board, the regulatory body of the Sugar Industry. It was conducted at The Kenya Sugar Board Offices, at selected sugar milling factories and at the Ministry of Agriculture offices. Though The Kenya Sugar Board has regional offices in all sugar producing counties in Kenya, focus will be made on their headquarters in Nairobi, since it is here that decisions relating to strategy formulation and implementation are made.

1.8: Limitation of the Study

This study was partly based on secondary data collected from various publications of the sugar industry, reports and publications associated with the sugar industry, published and unpublished empirical studies based on the sugar industry, public records and historical documents and other sources of published information whose correctness may be compromised. However, to overcome this limitation, efforts were made to verify their correctness. Due to limits of time, important factors were analyzed and discussed. This limitation however did not undermine either the scope of the study on the analysis and inference.

1.9: Assumptions of the Study

The study assumed that the respondents were sincere in their responses hence making the conclusions authentic and hopefully able to be applied to other State Corporations.
CHAPTER TWO
LITERATURE REVIEW

2.1: Introduction
This is a chapter on literature review. It focuses on theoretical, conceptual and empirical literature on the main themes of the study. This chapter will present a thorough discussion of the existing body of knowledge on the research topic on the concept, practices and issues in strategy implementation.

2.2: Strategy Implementation
Great strategies are not worth nothing if they cannot be implemented (Okumus and Roper, 1999). It can be extended to say that better to implement effectively a second grade strategy than to ruin a first class strategy by ineffective implementation. The performance of a firm is a function of how effective it is in converting a plan into action and executing it. Thus, implementation is the key to performance, given an appropriate strategy. Strategy implementation has been defined as the process by which strategies and policies are put into action through the development of programs, budgets and procedures (Wheelan and Hunger, 2000). According to Sababu (2007) strategy implementation is the process by which strategies and functional policies are put into action through the development of action plans, goals, programmes, budgets, procedures, structures, cultures, motivation, communication, leadership, allocation of resources, working climate and enforcement. Therefore, strategy implementation is inward looking and calls for the use of managerial and organizational tools to direct resources towards accomplishing strategic results. This involves the design or adjustment of the organization through the administration process. This includes changes to existing roles of employees, their reporting relationships, their evaluation and control mechanisms and the actual flow of data and information through the
communication channels which support implementation of strategy by the organization (Chandler 1962; Hrebiniaak and Joyce 2005).

Managing the implementation and execution of strategy is an operations-oriented, make-things-happen activity aimed at performing core business activities in a strategy supportive manner (Thompson and Strickland, 2007). Converting strategic plans into actions and results tests a manager’s ability to direct organizational change, motivate people, build and strengthen company competencies and competitive capabilities, create and nurture a strategy supportive work climate, and meet or beat performance targets. Initiatives to put the strategy in place and execute it proficiently have to be launched and managed on many organizational fronts. Management’s action agenda for implementing and executing the chosen strategy emerges from assessing what the company will have to do differently or better, given its particular operating practices and organizational circumstances, to execute the strategy competently and achieve the targeted strategic performance (Thompson and Strickland, 2007).

Formulation and implementation of strategy are distinguishable shares and interdependent processes of strategic management (Hrebiniaak and Joyce, 2005). The formulation of strategy is focused on determining the future direction of organization, the design of appropriate strategies since the implementation is geared to the process of translating the strategy into action (Shah, 2005). Hrebiniaak and Joyce (2005) highlight that companies able to sustain high performance, or are able to achieve the high performance, make the following key activities like; develop a clear strategic direction; built a quick and effective organization; establish an adaptive culture; and, implement focus on the need of consumers and reduced costs. Knowledge about the implementation of strategy and its influence on the organization is underemphasized in strategic management, decision making and corporate management (Hrebiniaak and Joyce, 2005).
Organizational performance depends not only on how the strategy is formulated, but also on how the strategy is implemented. The implementation requires the ability of managers to coordinate a broad scope of issues to transform strategic intent into action (Shah, 2005). Successful strategy execution depends on doing a good job of working with other people both internally and externally. Strategies need to be implemented once developed otherwise they are valueless unless effectively translated into action (Aosa, 1992). Managers should start implementing new strategies with a probing assessment of what the organization must do differently and better to carry out the strategy successfully. Managers should consider precisely how to make necessary internal changes as rapidly as possible (Thompson and Strickland, 2010). The implementation of strategy at every level is conducted against the background of the corporate and unit/functional cultures. Success in implementing a chosen strategy depends very considerably on how acceptable the corporate culture is to the workforce, and how well it is conceived and communicated by the top management of the organization (Cole, 1997).

One of the critical areas in organizational strategies is not just coming up with strategies but also implementing them into actions and results (Ansoff and McDonnell, 1990). An Organization’s management must operationalize its strategies by including all employees within the company so that at the end of the process they will feel that they are part and parcel of the whole strategy implementation process (Yabs, 2010). Strategies can also be institutionalized within organizational activities through a series of related measures which jointly protect strategic work from operational work and make the strategic work more effective and create a change supporting climate within the firm (Ansoff and McDonnell, 1990).
2.3: Principal Tasks of Strategy Implementation

Implementing and executing strategy entails figuring out all the specific techniques, actions and behaviors that are needed for a smooth strategy supportive operation and then following through to get things done and deliver results (Thompson and Stickland, 2010). The idea is to make things happen and make them happen right. The first step in implementing strategic changes is for management to communicate the case for organizational change so clearly and persuasively to organizational members that a determined commitment takes hold throughout the ranks to find ways to put the strategy into place, make it work and meet performance targets. The ideal condition is for managers to arouse enough enthusiasm for the strategy to turn the implementation process into a companywide crusade (Thompson and Stickland, 2010).

For an organization to realize successful implementation of its strategy there is need to adopt the “7 S model” framework that was developed by Mckinsey. This framework was designed to facilitate the analysis of organizations by focusing attention on seven key variables which were sub-divided into two categories of hard elements and soft element (Pascale and Athos, 1981). The first hard element variables are, ‘Strategy’ - the plan or course of action for allocating scarce resources over time to achieve the organization’s objectives and goals. ‘Structure’ - the organizational structure either centralized or divisional structures that can best fit implementation of strategy. ‘System’ - the formal and informal means by which information is circulated within the organizational set up. The second soft elements are: ‘Staff’- the availability of organization’s personnel in all categories including management who will spearhead the strategy implementation. ‘Style’- the leadership and management style, and the organizational culture being adopted by the organization may play a pivotal point in strategy implementation. ‘Skill’ - the distinctive competence of key persons, and the organization as a whole. ‘Shared values’ - the
representation of fundamental values or philosophies of the organization’s commitment to its customers, quality, excellence and environment (Pascale and Athos, 1981).

An organization’s successful implementation of strategy depends on the following key supporting factors, the action plan where an organization develops detailed action plans comprising chronological lists of action steps which add the necessary detail to their strategies and assign responsibility to a specific individual for accomplishing each of the action steps. Secondly, the current organization structure must fit the strategy being implemented and the current structure should be appropriate for the intended strategy. Thirdly, organization’s success at strategy implementation should consider skilled human resource factor in making strategies happen. Another factor in an organization’s successful strategy implementation is the awareness of the need to fund the intended strategies through the annual business plan (Cole, 1997). Lastly, successful implementation also depends on timely monitoring and controlling which includes periodic reviews to observe if strategy is being implemented appropriately within its allocated resource and timeframe.

2.4: Factors Influencing Strategy Implementation

The process of strategy implementation cannot be undertaken in isolation without considering the factors that influence the implementation process in strategic planning. Several studies on strategy implementation have shown the importance of individual factors for strategy implementation and emphasize the big picture of how such factors interrelate and form a strategic implementation environment.

Strategy implementation focuses on a wider array of factors that influence its implementation both internally and externally as well as behavioral and systematic factors. Some of the internal factors include organization structure. According to Chandler (1962), the organizational structure
is directly influenced by its strategies, thus structure follows Strategy. Strategy implementation is a process in which all planning and budgeting activities, policies and procedures follow the defined strategy (Pearce and Robinson, 2011). It may involve some changes in organization’s culture, structure and managerial system or even a wide general change in all these mentioned fields. The purpose of implementing strategies is that managers and employees collaborate to perform formulated strategic planning to ensure effective implementation. The most important matter that displays the role of information systems in implementing strategy is managers’ need for reciprocal exchange of information through proper management information systems.

Strategy implementation can also be influenced by both behavioral and systematic factors in an organization. Strategic leadership and management is the ability to shape the organization’s decision making and deliver high value over time, not only personally but also by inspiring and managing others in the organization with a clear direction for its future (Lynch, 2009). The success of strategy implementation depends on how well an organization has set up its policies and procedures which will be mitigated into the defined strategy. The most important factor in implementing strategy is communication systems that are in place to enhance proper flow of information from the management to the middle and lower level managers, and finally to the employees.

Implementation of strategy in an organization can be influenced by external factors which include government policies which define how an organization operates. The government policies developed by the national institution and policy reforms are defined by the new political system and the government structure (Vision, 2030). Effective implementation of strategy can be defined by how the strategy fits the industry structure (Chandler, 1992). Successful implementation of strategy can be influenced by competition from rival firms and Multinational
Corporation. According to Thompson and Strickland (2007) he states that a creative strategy that sets a company a part from rivals and yields a competitive advantage is a company’s most reliable ticket for earning above average profits. Successful implementation of strategies results from integrating and coordination of technological innovations, production processes, marketing, financing and personnel which defines how the goals in the strategies are achieved. Mitchell (1992) emphasizes on the importance of relationship between main goals and operational targets of organization and its technological strategy. Implementation can also be influenced by economic factors such as inflation, balance of payment, exchange rate against major world currencies, bank lending rate. Finally, implementation of strategy can be influenced by benchmarking processes by coming up with strategies that tend to outwit rival companies through sustaining competitive advantage (Thompson and Strickland, 2007).

2.5: Conceptual Framework

An organization’s strategy describes the way that organization will pursue its goals, given the threats and opportunities in the environment and resources and capabilities for the organization (Sababu, 2007). Thus, strategy is the organization’s mission, fundamental purpose, overall corporate objective and basic policy. Sababu (2007) observed that strategies have paradigms which mean that at some envisaged focal point or vision, the different activities of the strategies would begin to add up towards the mission.

A company’s strategy is management’s action plan for running the business and conducting operations (Thompson and Stickland, 2007). The crafting and execution of strategy represents a managerial commitment to pursue a particular set of actions in growing the business, attracting and pleasing customers, competing successfully, conducting operations, and improving the company’s financial and market performance.
Thus, a company’s strategy is all about how management intends to grow the business, how it will build a loyal customer base and out-compete rival firms, how each functional piece of the business (research and development, Managerial Behavior, Institutional policies, Resource allocation, Rewards and Incentives, supply chain activities, production, sales and marketing, distribution, finance and human resource) will be operated and finally how performance will be improved from time to time. An organization’s strategic content, coupled with these Organizational process variables will influence the strategic outcome as illustrated below.

![Strategy Implementation and Independent Variables](image)

Figure 1.2: Strategy Implementation and Independent Variables.

Source: Researcher, 2013
A strategy of a corporation forms a comprehensive master plan that states how the corporation will achieve its mission and objectives (Wheelen and Hunger, 2000). It maximizes competitive advantages and minimizes competitive disadvantage. A typical business firm usually considers three types of strategy such as corporate strategy, business strategy and functional strategy.

Strategic management is a series of managerial decision and activities which assign long-term performance of an organization. Thus, Strategy is the epic center of strategic management in an organizational set up. It consists of inspecting both organizational environment (internal and external), formulating, implementing, evaluating and controlling strategy. Strategic management is therefore concerned with competing for customers, generating value from the resources and the underlying principle of the sustainable competitive advantages of those resources over rival companies (Lynch, 2009).

Strategic management connotes the process of planning, programming, performance, profiting from and developing business policy while strategy refers to the pursuit of competitive advantage (Gupta, Gollakota and Srinivasan, 2009). An organization uses its history, skills, resources, knowledge and various concepts to explore its future actions through constant review of its strategies and objectives that aim at greater success. Nothing affects a company’s ultimate success or failure more fundamentally than how well its management team charts the company’s direction, develops competitively effective strategic moves and business approaches, and pursues what needs to be done internally to produce good day-in, day-out strategy execution and operating excellence (Thompson and Strickland, 2007). Strategy is a potentially very powerful tool for coping with the conditions of change which surround organizations today. The strategies that are selected by an organization will need to be implemented for it to be viable and sustainable on both its internal and external environment. Thus, organizations do not succeed
with brilliant strategic plans but can only succeed upon successful implementation of the strategies. Implementation of strategies by organization becomes a matter of driving through the new strategies regardless of changes in the environment (Lynch, 2009).

Effective strategic management begins with the organization clearly articulating its vision for the future (Gupta, Gollakota and Srinivasan, 2009). It covers all decisions and activities that lead to development of one or more effective strategy for achieving goals. The Strategic management process consists of the three stages such as strategy formulation, strategy implementation, strategy evaluation and taking corrective actions where necessary (Yabs, 2010). Every company must be willing and ready to modify its strategy in response to changing market conditions, advancing technology, the fresh moves of competitors, shifting buyer needs and preferences, emerging market opportunities, new ideas for improving the strategy and mounting evidence that the strategy is not working well. Regardless of whether a company’s strategy changes gradually or swiftly, the important point is that a company’s present strategy is always temporary and on trial, pending new ideas for improvement from management, changing industry, competitive conditions and any other new developments that management believe warrant strategy adjustment. Thus, a company’s strategy at any given point is fluid, representing the temporary outcome of an ongoing process that, on the other hand, involves reasoned and creative management efforts to craft an effective strategy and also it involves ongoing responses to market change and constant experimentation (Thompson and Strickland, 2007).

A business strategy is concerned with developing specific business model that will allow the firm to gain competitive advantage over its rivals in the industry in which it operates (Gupta, Gollakota and Srinivasan, 2009). Strategy should be institutionalized and operationalized into the company’s policies, procedures and activities. Thus, strategy is an administrative instrument
through which a firm attempts to exploit opportunities available in the business environment. A strategy stands a better chance of succeeding when it is predicated on actions, business approaches and competitive moves aimed at appealing to buyers in ways that set a company apart from its rivals and carving out its own market position (Thompson and Strickland, 2007).
CHAPTER THREE
RESEARCH METHODOLOGY

3.1: Introduction

This chapter presents the methodology that was used in gathering and analyzing data and reporting the results for the study. Here, the methods and tools that were used to collect and analyze data are presented and explained with necessary justifications.

3.2: Research Design

The research design used was the case study method. Case study is essentially an intensive investigation of a particular unit under consideration (Kothari, 2004). The object of the case study method is to locate the factors that account for the behavior patterns of the given unit as an integrated totality. The case study undertakes the context of the subject and facilitates in-depth understanding of the subject of study. The study focused on an assessment of the determinants of strategy implementation at the Kenya Sugar Board.

3.3: Target Population

The target population of this study was various internal and external stakeholders of the Kenya Sugar Board. Internal stakeholders consisted of middle and top management at The Kenya Sugar Board offices in Nairobi. External stakeholders consisted of middle and top management at three sugar milling factories including Nzoia Sugar Company, Mumias Sugar Company and Chemelil Sugar Company.
3.4: Sample

Random sampling was used in this study to help ensure an unbiased sample population. Efforts were made to reduce sampling errors, and thus increase precision, by increasing the sample size and by using stratified random sampling. An equal percentage of respondents were selected from each stratum. To obtain a stratified random sample, the population was divided into four strata according to institutions as shown in the Table below.

<table>
<thead>
<tr>
<th>Middle and top Management at Kenya Sugar Board Head Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle and top Management at Nzoia Sugar Company</td>
</tr>
<tr>
<td>Middle and top Management at Mumias Sugar Company</td>
</tr>
<tr>
<td>Middle and top Management at Chemelil Sugar Company</td>
</tr>
</tbody>
</table>

Table 1.3: Strata (Subgroups) for Stratified Random Sampling. Source: Researcher, 2013

The sample for the study was made up of 72 members of the institutions' middle and top management. Of the 72 respondents, 50 responses were from questionnaires while 22 were from interviews.

3.5: Data Collection

3.5.1: Data Collection Instruments and procedures

Primary data was gathered using interviews and questionnaires. Both primary and secondary data was collected. Secondary data was gathered from various publications of the sugar industry (Agricultural Sector Development Strategy 2009-2020, Kenya Sugar Industry Strategic Plan 2010-2014, Kenya Sugar Board Strategic Plan 2010-2014 and Strategic Plans from the Sugar Companies), reports and publications associated with the sugar industry, published and unpublished empirical studies based on the sugar industry, public records and statistics, cascades, newsletters, historical documents and other sources of published information.
3.6: Data Analysis

Data was analyzed through descriptive statistics. Microsoft Excel spreadsheets were used to present data in graphical format in order to develop a clear understanding of the findings. Data collected was analyzed according to the tool used to collect it – Interview or Questionnaire. The researcher analyzed the presence, meanings and relationships on the concept of strategy implementation which were summarized in comparison with the theory captured in the literature review. Data collected was sorted, classified and coded then tabulated for ease of analysis. The data was summarized and categorized according to common themes.

3.7: Reliability of the instruments

In order to ensure validity and reliability, the questionnaires were composed of carefully constructed questions to avoid ambiguity and in order to facilitate answers to all the research questions.
CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1: Introduction

This chapter covers the analysis of the data collected and findings of the study. The data analysis has been done in line with the objective of the study, which focused on assessment of the determinants of strategy implementation at The Kenya Sugar Board. Data was gathered from the interview guide and questionnaires. The study targeted middle and top management, who were drawn from various stakeholders in the sugar industry comprising of middle and top Management of Kenya Sugar Board and three sugar companies (Nzoia Sugar Company, Mumias Sugar Company and Chemelil Sugar Company) through personal administration of interviews and questionnaires. Descriptive statistics was used in this chapter to capture the statements of the respondents during interviews.

4.2: Discussion

The study carried out an assessment of the determinants of strategy implementation at The Kenya Sugar Board, the regulatory body of the Kenyan Sugar Industry. It was noted from the findings that the previous Sugar Industry Strategic Plan 2004-2009’s level of implementation had only accomplished 30% of the activities (Kenya Sugar Industry, Strategic Plan 2010-2014). This was as a result of poor planning, poor strategy implementation and unrealistic objectives. The finding of the study concurs with Thompson and Stickland (2007) empirical study where an organization’s Strategic Plan has to be well matched with the industry and competitive conditions, best market opportunities and its external environment. Therefore, the plan has to be tailored to the industrial and organizational resources, strengths and weaknesses, competencies, and competitive capabilities for proper implementation and attainment of the obligations of the
The findings of the study show that there is an implementation framework in the industry, but the execution of the framework by the Kenya Sugar Board has brought about major shortcomings in the implementation of the plan. Sababu (2007) argues that for a strategy to be implemented successfully it calls for the use of managerial and organizational tools to direct resources towards accomplishing strategic results. The finding of the study supports Sababu (2007) empirical study that is supported by Thompson and Strickland (2007) who argue that implementing and executing strategy entails figuring out all the specific techniques, actions and behaviors that are needed for a smooth strategy and then following through to get things done and deliver results. The following is a thematic discussion guided by the research questions and interpretive inferences made from the literature review discussed in the study.

4.3: Effect of Managerial Behavior on strategy implementation at the Kenya Sugar Board.

4.3.1: Interview Data
Managerial behavior as an implementation factor was found to influence strategy implementation at The Kenya Sugar Board. 19 of the 22 respondents to the prescribed interview guide indicated that Managerial Behavior was a strong factor affecting strategy implementation at the Kenya Sugar Board as shown below.

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>In your Opinion, Is Managerial Behavior a factor affecting strategy implementation at the Kenya Sugar Board?</td>
<td>19</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 1.4: Responses on Question 1: Managerial Behavior and Strategy implementation.

Source: Researcher, 2013

15 out of the 22 respondents, mostly from middle management mentioned motivation and compensation factors as challenges faced in terms of employee morale, behavior and general
approach during implementation of the industry strategy. Other factors included Government Legislation, Political atmosphere and staff turnover.

**Figure 1.4: Challenges in employee morale, behavior and general approach.**

Source: Researcher, 2013

16 out of the 22 respondents indicated the use of Work Plans and Strategic plans as tools in decision making. All respondents agreed that effective communication was essential for Management to effectively execute strategies.

On the fifth Question, majority of respondents indicated that Managerial Behavior had played a key role in the implementation of the Industry strategic plan by the Kenya Sugar Board. Other factors mentioned included Industry regulation, Organizational Governance and Government Funding. The responses are summarized as shown below.
In your own words what are some of the factors that have played a key role in implementing the industry strategic plan by Kenya Sugar Board?

Figure 2.4: Response Chart. Key Factors in implementing the industry strategic plan by Kenya Sugar Board. Source: Researcher, 2013

4.3.2: Questionnaire Data

50 respondents answered questionnaire data. In terms of the effect of Managerial behavior on Strategy implementation at The Kenya Sugar Board, their responses are summarized as shown below.

<table>
<thead>
<tr>
<th>No</th>
<th>Question</th>
<th>Never</th>
<th>Seldom</th>
<th>Occasionally</th>
<th>Frequently</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>i</td>
<td>Overall goals were not sufficiently well understood by employees</td>
<td>0</td>
<td>0</td>
<td>12</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>ii</td>
<td>Changes in responsibilities of key employees were not clearly defined</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>39</td>
<td>5</td>
</tr>
<tr>
<td>iii</td>
<td>Key formulators of the strategic decision did not play an active role in implementation</td>
<td>6</td>
<td>8</td>
<td>26</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>iv</td>
<td>Problems requiring top management involvement were not communicated early enough.</td>
<td>0</td>
<td>7</td>
<td>9</td>
<td>34</td>
<td>0</td>
</tr>
<tr>
<td>v</td>
<td>Leadership and direction provided by departmental managers were inadequate</td>
<td>1</td>
<td>1</td>
<td>19</td>
<td>22</td>
<td>7</td>
</tr>
<tr>
<td>vi</td>
<td>Deviation from original plan objectives</td>
<td>5</td>
<td>41</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>vii</td>
<td>People are not measured or rewarded for executing the plan</td>
<td>1</td>
<td>5</td>
<td>10</td>
<td>33</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 2.4: Summary of Questionnaire data on Managerial Behavior.

Source: Researcher, 2013
The findings show that in general, overall goals are not sufficiently well understood by employees. Furthermore, changes in responsibilities of key employees are not clearly defined. From the responses received, key formulators of strategic decisions, the Management occasionally did not play an active role in implementation. The study revealed that during the review of the previous Kenya Sugar Industry Strategic Plan 2004-2009 only 30% level of implementation had been achieved and many of the activities are still in work in progress which meant that some of the activities had been forwarded into the period of the current strategic plan. Most respondents acknowledge that leadership and direction provided by departmental managers were inadequate. There was also a lot of deviation from original plan objectives and general lack of metrics in rewards administration.

4.4: Role of Institutional policies in strategy implementation at the Kenya Sugar Board

4.4.1: Interview Data
Institutional policies were found to have very little influence on the implementation of strategic plans at the Kenya Sugar Board. On Question 1, the 22 respondents to the interview guide gave varied types of strategic implementation practices employed by The Kenya Sugar Board. These are summarized as follows;

![Bar Chart]

**Figure 3.4: Summary of Questionnaire data on Institutional Policies.**

*Source: Researcher, 2013*
On interview Question 2, twenty respondents indicated that Institutional policies did not affect strategy implementation at The Kenya Sugar Board while two indicated that they did.

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do Institutional policies affect strategy implementation at the Kenya Sugar Board?</td>
<td>20</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 3.4: Response Table 1 on Institutional Policies. Source: Researcher, 2013

On question 3, majority of respondents were not clear on the role of the Kenya Sugar Board in implementing the industry strategic plan. Policies were not mentioned as an implementation framework in place for implementing the industry strategic plan.

On Question 4, only one responded indicated that some policies and procedures had to be changed during implementation of the strategic plan.

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Could you say that there are some policies and procedures that had to be changed during implementation of the plan?</td>
<td>1</td>
<td>21</td>
</tr>
</tbody>
</table>

Table 4.4: Response Table 2 on Institutional Policies. Source: Researcher, 2013

There was also evidence that the low influence of policy statements on decision making is an indicator to the relative weakness of correlation between implementation of strategies and institutional policies.

4.4.2: Questionnaire Data

50 respondents answered questionnaire data. In terms of the effect of Institutional Policies on Strategy implementation at The Kenya Sugar Board, their responses are summarized as shown below.
According to the findings of the study, institutional policies and procedure systems being applied by The Kenya Sugar Board have little influence on the implementation of the industry strategic plan. However, it was evidenced from respondents that there was a mismatch between the Industry Strategic Plan and Stakeholders’ Strategic Plan. This was brought about due to lack of clear policies and procedures in the sugar industries which has reduced efficiency and effectiveness of strategy implementation. A company’s policies and procedures can either assist the cause of good strategy execution or be a barrier (Thompson and Strickland, 2007). The finding of this study concurs with Thompson and Strickland (2007) empirical study by noting that anytime a company moves to put new strategy elements in place or improve its strategy execution capabilities, managers are well advised to undertake a careful review of existing policies and procedures, proactively revising or discarding old policies and procedures.

Table 5.4: Summary of responses on Institutional Policies.

Source: Researcher, 2013

<table>
<thead>
<tr>
<th>No</th>
<th>Question</th>
<th>Never</th>
<th>Seldom</th>
<th>Occasionally</th>
<th>Frequently</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>i</td>
<td>Uncontrollable factors in the external environment had an adverse impact on internal policies.</td>
<td>5</td>
<td>43</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>ii</td>
<td>Key institutional policies were not sufficiently defined</td>
<td>0</td>
<td>0</td>
<td>34</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>iii</td>
<td>Policy Monitoring was inadequate</td>
<td>20</td>
<td>23</td>
<td>4</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>iv</td>
<td>Advocates and supporters of the strategic policies left the organization during implementation.</td>
<td>15</td>
<td>25</td>
<td>6</td>
<td>4</td>
<td>0</td>
</tr>
</tbody>
</table>
4.5: Resource allocation and its effect on strategy implementation at the Kenya Sugar Board

4.5.1: Interview Data

On the first question, fourteen of the 22 respondents indicated that resource allocation was vital and determined the overall success or failure of strategy implementation at The Kenya Sugar Board. The other eight felt that resource allocation was important but could not determine the overall success or failure of strategy implementation.

![Pie Chart on Resource Allocation](image)

**Figure 4.4: Pie Chart on Resource Allocation. Source: Researcher, 2013**

On the second question, 18 out of 22 respondents indicated that the organizational structure did not fit the industry strategic plan. All respondents indicated that no changes had been done in order for the plan to fit the organizational structure.

On the third question, all respondents indicated that the time frame provided for implementing the strategic plan was not adequate enough.
1. Is the timeframe provided for implementing the strategic plan adequate enough?

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is the timeframe provided for implementing the strategic plan</td>
<td>0</td>
<td>22</td>
</tr>
</tbody>
</table>

Table 6.4: Response Table on Resource Allocation. Source: Researcher, 2013

On the final question, respondents gave varied recommendations on future plan implementation but all agreed that more resources needed to be employed for future strategic plan success.

### 4.5.2: Questionnaire Data

50 respondents answered questionnaire data. In terms of the effect of Resource Allocation on Strategy implementation at The Kenya Sugar Board, their responses are summarized as shown below.

<table>
<thead>
<tr>
<th>No</th>
<th>Question</th>
<th>Never</th>
<th>Seldom</th>
<th>Occasionally</th>
<th>Frequently</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>i</td>
<td>Projects took more time than originally allocated Due to resources allocated.</td>
<td>4</td>
<td>3</td>
<td>29</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>ii</td>
<td>Major problems surfaced which had not been identified earlier.</td>
<td>8</td>
<td>8</td>
<td>22</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>iii</td>
<td>Co-ordination was not sufficiently effective</td>
<td>34</td>
<td>1</td>
<td>1</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>iv</td>
<td>Competing activities distracted attention from implementing this decision</td>
<td>1</td>
<td>2</td>
<td>38</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>v</td>
<td>Capabilities of employees involved were insufficient</td>
<td>0</td>
<td>0</td>
<td>17</td>
<td>31</td>
<td>2</td>
</tr>
<tr>
<td>vi</td>
<td>Training and instruction given to lower level employees were inadequate</td>
<td>9</td>
<td>8</td>
<td>5</td>
<td>25</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 7.4: Summary of responses on Resource Allocation. Source: Researcher, 2013

Most respondents indicated that projects took more time than allocated due to resources allocated. Occasionally or frequently major problems surfaced which had not been identified earlier. From the responses to question 3, it appears that coordination was generally effective. Responses to question 4 indicate that competing activities often distract attention from
implementing decisions. It also appears from question 5 and 6 that employee capabilities are generally insufficient as is the training and instruction given to them.

4.6: Role of Rewards and Incentives on strategy implementation at the Kenya Sugar Board

4.6.1: Interview Data

On the first question, of 22 respondents, 17 indicated that rewards and incentives had a strong influence strategy implementation at the Kenya Sugar Board? The other 5 indicated that it had an effect which was not strong.

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do Rewards and Incentives influence strategy implementation at the Kenya Sugar Board?</td>
<td>17</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 8.4: Response Table on Rewards and Incentives. Source: Researcher, 2013

On Question 2, majority of respondents (16 out of 22) mentioned reduction in cost of cane production as a broad objective of the sugar industry strategic plan 2010-2014. Out of all respondents, only 12 could describe their direct role in achieving this broad objective.

Figure 5.4: Response Chart 1 on Rewards and Incentives. Source: Researcher, 2013
On Question 3, 15 out of 22 indicated motivation as a major role played by rewards and incentives in the success of the Industry strategic plan while seven indicated that rewards and incentives had no role in the success of the industry strategic plan.

<table>
<thead>
<tr>
<th>No</th>
<th>Question</th>
<th>Never</th>
<th>Seldom</th>
<th>Occasionally</th>
<th>Frequently</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>i</td>
<td>Lack of feelings of &quot;ownership&quot; of a strategy or execution plans among key employees</td>
<td>2</td>
<td>5</td>
<td>8</td>
<td>28</td>
<td>7</td>
</tr>
<tr>
<td>ii</td>
<td>Lack of clear policies on staff rewards and incentives</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>39</td>
<td>2</td>
</tr>
<tr>
<td>iii</td>
<td>High staff turnover for reasons related to rewards and incentives</td>
<td>3</td>
<td>6</td>
<td>20</td>
<td>19</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 9.4: Summary Table on Rewards and Incentives. Source: Researcher, 2013
This data is summarized in the following chart;

![Graph]

**Figure 7.4: Summary Chart on Rewards and Incentives. Source: Researcher, 2013**
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1: Introduction
This is a chapter on summary, conclusion and recommendations. It presents a summary of key findings based on the objectives of the study and draws conclusions based on the key findings and discussions of the findings. The chapter also presents the recommendations for both policy and practice which are also based on the key findings of the study. Finally, the chapter covers limitations of the study and the suggestions for further study.

5.2: Summary of the Findings
The study on assessment of the determinants of strategy implementation at The Kenya Sugar Board, the regulatory body of the Kenyan Sugar Industry was guided by four objectives that included influence of managerial behavior, rewards and incentives, resources allocation practices and institutional policies. The study revealed that Managerial Behavior, Resource Allocation and Rewards and Incentives have a strong effect on strategy implementation unlike Institutional Policies. The study also revealed that during the review of the previous Kenya Sugar Industry Strategic Plan 2004-2009 only 30% level of implementation had been achieved and many of the activities are still in work in progress which meant that some of the activities had been forwarded into the period of the current strategic plan. However, this catalyzed the implementation of the plan since most of the previous activities are inter-related with the current activities. The Study also notes that a proper sugar industry structure would be of great value when formulating and implementing the strategic plan.
5.3: Conclusion

5.3.1: Managerial Behavior VS Strategy Implementation

It can be concluded from the findings of the study that Managerial Behavior is key to successful Strategy Implementation. The frequent use of work plans and strategic plans as tools for decision making on financial, technological, legal and human resources management decisions is an indicator of managerial thinking which is a pre-requisite for strategic management success. This is compounded by the fact that the most successful areas of long term strategy implementation for The Board lied in the areas of finance, technology, legal and human resources management.

5.3.2: Institutional Policies VS Strategy Implementation

It can be concluded from the findings of the study that Institutional Policies are important for coordination but have little or no effect on strategy implementation at The Kenya Sugar Board. It can also be concluded that Key institutional policies are not properly defined at The Kenya Sugar Board. These policies are not adjusted to accommodate changes in the uncontrollable environment.

5.3.3: Resource Allocation VS Strategy Implementation

It can be concluded from the findings of the study that Resource allocation is key to successful Strategy Implementation. The study finds Resource Allocation as one influential factor towards implementing the industry strategic plan. Capabilities of employees at The Kenya Sugar Board are generally insufficient as is training and instruction given to lower level employees. A company’s ability to marshal the resources needed to support new strategic initiatives and steer them to the appropriate organizational department has a major impact on the strategy implementation and execution process (Thompson and Strickland, 2007).
5.3.4: Rewards and Incentives VS Strategy Implementation

It can be concluded from the findings of the study that Rewards and Incentives are key to successful Strategy Implementation. Human Resource Management practices including rewards and incentives play an integral role in implementing the industry strategic plan according to the findings of the study. This finding supports Thompson and Strickland (2007) argument that the task of implementing and executing challenging strategic implementation and initiatives must be assigned to top management who have the skills and talents to handle them and who can be counted on to turn their decisions and actions into results that meet or beat the established performance targets.

5.4: Recommendations for Policy and Practice

The recommendations of the study are based on policy and practice of the key findings of the study.

5.4.1: Recommendations for Managerial Behavior

The Kenya Sugar Board should ensure that there is proper framework for setting goals, communicating to employees, assigning management teams and mobilizing resources for the activities that will achieve goals of the strategic plan. This will provide an opportunity for the exchange of ideas by key stakeholders in the industry and increase awareness of industry-wide limitations and opportunities leading to a greater appreciation of actions to be undertaken.

5.4.2: Recommendations for Institutional Policies

The study recommends the institutionalization of policies so that their guiding philosophies are shared across the organizations' leadership and to avoid them being vied as managerial propensity to lord over staff. There is a need to properly define and communicate key institutional policies. The industry should undertake consultation forums to review status of
implementing policies which will provide opportunities to all industry stakeholders to learn on how to operationalize and institutionalize the strategies and activities of plan from the leaders and managers, and innovators of the industry.

5.4.3: Recommendations for Resource Allocation

The study recommends that The Kenya Sugar Board create a higher level of involvement of staff members in any further strategy development and review to avoid hands off approach and lack of ownership on their part. Recruitment procedures at the organization should be reviewed to ensure that it attracts and retains competent staff. Emphasis should be put on training given to lower level employees to ensure that their skills are constantly developed.

5.4.4: Recommendations for Rewards and Incentives

The study recommends that The Kenya Sugar Board create a clear policy for reward and incentive management to avoid the hands off approach and lack of ownership on their part. It is also critical that a review is done to distinguish between strategic plan implementation and other performance and Quality management tools such as performance contracting.

5.5: Limitations of the Study

The study is only limited to the sugar industry and more focus has been given on government owned institutions within the sugar industry instead of incorporating private institutions. This has led to narrowing the scope of the study. Because of the work engagement of most respondents, it was cumbersome to access them since most of them were usually busy on other assignments and it took a lot of time and patience by the researcher to get their audience.
5.6: Suggestions for Further Study

This study suggests that more studies need to be undertaken within the concept of strategy in the sugar industry in areas such as corporate governance, strategy, performance and change management that may be of great importance to the body of knowledge and society.

The study also suggests that similar studies should be done in other sectors such as energy, tea, manufacturing or educational sector to contribute to the body of knowledge in the area of strategy management and implementation.
REFERENCES


APPENDICES

APPENDIX I: Interview Guide

Managerial Behavior

i. In your Opinion, Is Managerial Behavior a factor affecting strategy implementation at the Kenya Sugar Board?

ii. What are some of the challenges you face in terms of employee morale, behavior and general approach during implementation of the industry strategy? How did you address them?

iii. Which decision making model is preferred and used in your organization?

iv. Kindly state the mode and the role of communication in the process of strategy implementation?

v. In your own words what are some of the factors that have played a key role in implementing the industry strategic plan by Kenya Sugar Board?

Institutional Policies

i. What are the strategic implementation practices employed by your organization?

ii. Do Institutional policies affect strategy implementation at the Kenya Sugar Board?

iii. What role does your organization play in implementing the industry strategic plan? Which implementation frameworks are in place?

iv. Could you say that there are some policies and procedures that had to be changed during implementation of the plan?
Resource Allocation

i. How does Resource allocation affect strategy implementation at the Kenya Sugar Board?

ii. Does the organizational structure fit the industry strategic plan? If so, are there some changes that have been done in order for the plan to fit the organization structure?

iii. Is the time frame provided for implementing the strategic plan adequate enough?

iv. What recommendations would you like to give on the implementation of the plan in future?

Rewards and Incentives

i. Do Rewards and Incentives influence strategy implementation at the Kenya Sugar Board?

ii. What are the broad objectives of the Sugar Industry Strategic Plan 2010-2014? What role do you play in attaining these objectives?

iii. What role do rewards and incentives play in the success of the industry strategy plan within your organization?
Appendix II: Questionnaire

1. What are the broad objectives of the Industry Strategic Plan 2010-2014? What role does The Kenya Sugar Board play in attaining these objectives?

2. What role do you play in communicating the organizational and industry strategic plan to other members of staff? (Tick One)

<table>
<thead>
<tr>
<th>Leadership Role</th>
<th>Implementation Role</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. In your own word could you explain what role the senior management staff plays in the implementation of the industry strategic plan?

4. What action plans has your company adopted to ensure that there is proper implementation of the Industry’s strategic plan?

5. What is your position in your organization?
   a. Top Management Level
   b. Middle Management Level
6. Please evaluate the extent to which the following problems influenced the implementation of the strategic decision. Please use the five-point scale as shown.

<table>
<thead>
<tr>
<th>Potential strategy implementation problems</th>
<th>Influence Caused Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resource Allocation</strong></td>
<td>Never Seldom Occasionally Frequently Always</td>
</tr>
<tr>
<td>i. Projects Took more time than originally allocated due to resources allocated.</td>
<td>( ) ( ) ( ) ( ) ( )</td>
</tr>
<tr>
<td>ii. Major problems surfaced which had not been identified earlier.</td>
<td>( ) ( ) ( ) ( ) ( )</td>
</tr>
<tr>
<td>iii. Co-ordination was not sufficiently effective</td>
<td>( ) ( ) ( ) ( ) ( )</td>
</tr>
<tr>
<td>iv. Competing activities distracted attention from implementing this decision</td>
<td>( ) ( ) ( ) ( ) ( )</td>
</tr>
<tr>
<td>v. Capabilities of employees involved were insufficient</td>
<td>( ) ( ) ( ) ( ) ( )</td>
</tr>
<tr>
<td>vi. Training and instruction given to lower level employees were inadequate</td>
<td>( ) ( ) ( ) ( ) ( )</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Institutional Policies</th>
<th>Never Seldom Occasionally Frequently Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Uncontrollable factors in the external environment had an adverse impact on internal policies.</td>
<td>( ) ( ) ( ) ( ) ( )</td>
</tr>
<tr>
<td>ii. Key institutional policies were not sufficiently defined</td>
<td>( ) ( ) ( ) ( ) ( )</td>
</tr>
<tr>
<td>iii. Policy Monitoring was inadequate</td>
<td>( ) ( ) ( ) ( ) ( )</td>
</tr>
<tr>
<td>iv. Advocates and supporters of the strategic policies left the organization during implementation.</td>
<td>( ) ( ) ( ) ( ) ( )</td>
</tr>
</tbody>
</table>
Managerial Behavior

i. Overall goals were not sufficiently well understood by employees

ii. Changes in responsibilities of key employees were not clearly defined

iii. Key formulators of the strategic decision did not play an active role in implementation

iv. Problems requiring top management involvement were not communicated early enough.

v. Leadership and direction provided by departmental managers were inadequate

vi. Deviation from original plan objectives

vii. People are not measured or rewarded for executing the plan

Rewards and Incentives

i. Lack of feelings of "ownership" of a strategy or execution plans among key employees

ii. Lack of clear policies on staff rewards and incentives

iii. High staff turnover for reasons related to rewards and incentives

7. Any other comments?
Appendix III:

RESEARCH BUDGET

MBA (Strategic Management) Research Project to be carried out at The Kenya Sugar Board headquarters, at selected sugar milling factories and at the Ministry of Agriculture offices.

Budget Period (1 Month / 30 Days)

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost (Kshs)</th>
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<tbody>
<tr>
<td>Research Personnel</td>
<td></td>
</tr>
<tr>
<td>Research Assistant</td>
<td>40,000</td>
</tr>
<tr>
<td><strong>Total Personnel:</strong></td>
<td><strong>40,000</strong></td>
</tr>
<tr>
<td>Equipment, Materials and Travel</td>
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</tr>
<tr>
<td>Equipment</td>
<td>60,000</td>
</tr>
<tr>
<td>Accommodation</td>
<td>50,000</td>
</tr>
<tr>
<td>Travel</td>
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<tr>
<td>Materials and Supplies</td>
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<tr>
<td>Printing and Stationery</td>
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<tr>
<td><strong>Total Direct Costs</strong></td>
<td><strong>290,000</strong></td>
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</tbody>
</table>

Total Project Cost - Kshs: 290,000
## Appendix IV: Project Time Schedule

<table>
<thead>
<tr>
<th>2013</th>
<th>June /July/August</th>
<th>Summary</th>
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<tbody>
<tr>
<td></td>
<td>Tasks</td>
<td>Hours</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Requirements Analysis</td>
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</tr>
<tr>
<td>Preliminary Activities / Preparation</td>
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<td>40</td>
</tr>
<tr>
<td>Data Collection</td>
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<td>40</td>
</tr>
<tr>
<td>Data Analysis</td>
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<td>20</td>
</tr>
<tr>
<td>Reporting on Findings and Recommendations</td>
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<td></td>
</tr>
<tr>
<td>Compilation of Final Research Report</td>
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<td></td>
</tr>
<tr>
<td>Demonstrate</td>
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<td></td>
</tr>
<tr>
<td>Hours</td>
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<td>80</td>
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</table>