STRATEGY IMPLEMENTATION CHALLENGES FACING INSURANCE INDUSTRY:
A CASE STUDY OF INSURANCE COMPANIES IN MERU COUNTY

PRESENTED BY

WINNIE K. KABURU

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DECLARATION

I, Winnie Karimi Kaburu, do hereby declare that to the best of my knowledge and believe that this research project paper entitled, STRATEGY IMPLEMENTATION CHALLENGES FACING INSURANCE INDUSTRY is my original work and has not been presented in any university for any academic award, such as Certificate, Diploma or Degree.

Winnie K. Kaburu

Registration NO. D53/OL/10176/2006

MBA PROGRAM

This Research project has been submitted for examination with our approval as University Supervisors

Signature... Date... 18/10/2012

Name: Mr. Julius Murungi M'iweta

SUPERVISOR

Signature... Date... 18/10/2012

Name: Dr. Stephen Muathe

CHAIRMAN OF DEPARTMENT
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Strategic management is fundamentally about setting the underpinning aims of an organization, choosing the most appropriate goals towards those aims and fulfilling both over time. In the strategy implementation, often called the action phase, the firm is required to translate its strategies and policies into action through the development of specific budgets and procedures. Due to increased challenges facing insurance companies in Kenya, management of the companies have sought strategic management as a tool to save the industry by formulating and implementing strategies. Strategy implementation has attracted much less attention in strategic and organizational research than strategy formulation or strategic planning. The study adopted descriptive research design. The population of this study comprised of 36 branch managers and their deputies from the 18 licensed insurance companies operating in Meru County. The study carried out a census survey where 36 managers and their deputies were selected for the purpose of data collection. Statistically, in order for generalization to take place, at least 30 elements must exist (Cooper and Schindler, 2003). The researcher used both primary and secondary data. According to Sproul (1998), the study concluded that the level of commitment of employees affects the strategic implementation at the insurance companies to a very great extent. The management should avoid budget restriction as it negatively affects strategy implementation in the company; there must be a clear assignment of responsibilities and that the involvement of middle managers valuable knowledge for strategy to work. In addition, the top management commitment should also be enhanced for strategy implementation to succeed, communication should be well effected throughout the process of implementing a strategy, and teamwork activities should also be emphasized. Moreover, the study encourages activities coordination; and indicates that it is important to have an integrative point of view when formulating a strategy and that staff implementing strategy are capable enough and that strategy implementation took more time than expected.
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CHAPTER ONE:

INTRODUCTION

1.1 Background of the study

Strategy implementation has attracted much less attention in strategic and organizational research than strategy formulation or strategic planning. Alexander (1991) suggests several reasons for this: strategy implementation is less glamorous than strategy formulation, people overlook it because of a belief that anyone can do it, people are not exactly sure what it includes and where it begins and ends. Furthermore, there are only a limited number of conceptual models of strategy implementation.

Strategy which is a fundamental management tool in any organization is a multi dimensional concept that various authors have defined in different ways. It is the match between an organization's resources and skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish (Thompson S, 1993). It is meant to provide guidance and direction for the activities of the organization. Since strategic decisions influence the way organizations respond to their environment, it is very important for a firm to make strategic decisions and define strategy in terms of it function to the environment. The purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment (Pearce and Robinson, 2007).
Ansoff (1999) views strategy in terms of market and product choices. According to his view, strategy is the “common thread” among an organization’s activities and the market. Johnson and Scholes (1998) define strategy as the direction and scope of an organization that ideally matches the results of its changing environment and in particular its markets and customers so as to meet stakeholder expectation. According to Jauch and Glueck (1984), strategy is a unified and integrated plan that relates the strategic advantages of the firm to the challenges of the environment and that is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization.

Mintzberg and Quinn (1979) also had a hand in strategy definition whereby he perceives strategy as a pattern or a plan that integrates organization’s major goals, policies and action into a cohesive whole. Porter (1996) has defined strategy as a creation of a unique and vulnerable position of tradeoffs in competing, involving a set of activities that neatly fit together, that are simply consistent, reinforce each other and ensure optimization of effort. Pearce and Robinson (2007) defines strategy as the company’s “game plan” which results in future oriented plans interacting with the competitive environment to achieve the company’s objectives. Johnson and Scholes (2002), view strategy as the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a changing environment, and fulfill stakeholder’s expectations.

Organizations seem to have difficulties in implementing their strategies, however. Researchers have revealed a number of problems in strategy implementation such as weak management roles in implementation, a lack of communication, lacking a commitment to the strategy, unawareness
or misunderstanding of the strategy, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities, and uncontrollable environmental factors (Beer and Eisenstat, 2000).

1.1.1 The Concept of Strategy Implementation

Strategy implementation involves organization of the firm’s resources and motivation of the staff to achieve objectives. The environmental conditions facing many firms have changed rapidly. Today's global competitive environment is complex, dynamic, and largely unpredictable. To deal with this unprecedented level of change, a lot of thinking has gone into strategy formulation. Strategic management is about managing the future, and effective strategy formulation is crucial, as it directs the attention and actions of an organization. The assessment of strategy formulation processes becomes crucial for practitioners and researchers alike in order to conduct and evaluate different formulation processes (Olson et al. 2005).

In recent years organizations have sought to create greater organizational flexibility in responding to environmental turbulence by moving away from hierarchical structures to more modular forms (Balogun and Johnson, 2004). Responsibility, resources and power in firms has been the subject of decentralization and delayering. Given an intensifying competitive environment, it is regularly asserted that the critical determinant in the success and, doubtlessly, the survival of the firm is the successful implementation of marketing strategies (Chebat, 1999). The role and tasks of those employees charged with strategy implementation duties, the mid-level managers, in these new restructured organizations is under scrutiny.
Historically, numerous researchers in strategic management bestowed great significance to the strategic formulation process and considered strategy implementation as a mere by-product or invariable consequence of planning (Wind and Robertson, 1983). Fortunately, insights in this area have been made recently which tamper our knowledge of developing strategy with the reality of executing that which is crafted (Olson et al., 2005). However, as strategy implementation is both a multifaceted and complex organizational process, it is only by taking a broad view that a wide span of potentially valuable insights is generated.

The fatal problem with strategy implementation is the de facto success rate of intended strategies. In research studies it is as low at 10% (Judson, 1991). Despite this abysmal record, strategy implementation does not seem to be a popular topic at all. In fact, some managers mistake implementation as a strategic afterthought and a pure top-down-approach. Instead, management spends most of its attention on strategy formulation. Research emphasizing strategy implementation is classified by Bourgeois and Brodwin (1984) as part of a first wave of studies proposing structural views as important facilitators for strategy implementation success. Beyond the preoccupation of many authors with firm structure, a second wave of investigations advocated interpersonal processes and issues as crucial to any marketing strategy implementation effort (Noble and Mokwa, 1999). Conflicting empirical results founded upon contrasting theoretical premises indicate that strategy implementation is a complex phenomenon. In response, generalizations have been advanced in the form of encouraging: early involvement in the strategy process by firm members (Hambrick and Cannella, 1989); fluid processes for adaptation and adjustment (Drazin and Howard, 1984); and, leadership style and structure (Bourgeois and Brodwin, 1984).
1.1.2 The Insurance Industry in Kenya

The main players in the Kenyan insurance industry are: insurance companies, reinsurance companies, insurance brokers, insurance agents and the risk managers. The statute regulating the industry is the insurance Act; Laws of Kenya, Chapter 487. The office of the commissioner of insurance was established under its provisions to strengthen the government regulation under the Ministry of Finance. There is also self-regulation of insurance by the Association of Kenya Insurers (AKI). The professional body of the industry is the Insurance Institute of Kenya (IIK), which deals mainly with training and professional education. Recently established was Insurance Regulatory Authority (IRA) mandated to supervise and regulate the insurance industry players. According to the (AKI) Insurance Industry Report for the year 2006, there were 43 licensed insurance companies in 2006 with 21 companies writing general insurance, 7 writing life insurance while 15 were composite. There were 197 licensed insurance brokers during the year. The gross premium written by the industry was KShs 41.68 billion compared to KShs 36.42 billion in 2005 representing a growth of 14.54%. The gross premium from general insurance was KShs 29.20 billion while life business premiums and pensions contributions amounted to KShs 12.48 billion. The gross profit before tax rose from KShs 4.32 billion in 2005 to KShs 5.80 billion in 2006 representing a growth of 35%.

Insurance business can broadly be classified into general and life. Despite this classification the different classes of insurance businesses can be viewed as lines of business along the profit centre concept. According to the Kenya Insurance Survey KPMG, (2004), the General insurance industry in Kenya is mainly driven by four main lines of business: Motor- Commercial, Fire-Industrial and Engineering, Motor- Private and Personal Accident. The life insurance industry is
mainly driven by two main lines of business Ordinary Life and Superannuation, which includes Group Life Insurance and Deposit Administration. The Survey revealed that the General insurance business is facing two major challenges.

1.2 Statement of the problem

Strategy implementation is an enigma in many companies. The problem is illustrated by the unsatisfying low success rate (only 10% to 30%) of intended strategies (Raps and Kauffman, 2005). The primary objectives are somehow dissipated as the strategy moves into implementation and the initial momentum is lost before the expected benefits are realized. Successful implementation is a challenge that demands patience, stamina and energy from the involved managers. The key to success is an integrative view of the implementation process (Raps and Kauffman, 2005). Given the important role insurance industry play in the economy, it is crucial that the whole process of strategy formulation and implementation need to be successful. Despite the neglect by academicians and consultants more challenges are experienced in practice in the course of strategy implementation. In their research, Bartlett and Ghoshal (1987) found that in all the companies they studied the issue was not a poor understanding of environmental forces or inappropriate strategic intent. Without exception, they knew what they had to do; their difficulties lay in how to achieve the necessary changes. Strikingly, organizations fail to implement about 70 per cent of their new strategies (Miller, 2002).

There is serious challenge facing the insurance companies such structural weaknesses, fraud by clients and employees, high claims, delays in claim settlement, delayed premium collection, lack of liquidity leading to collapse of some firms, low economic growth, and poor governance and
industry saturation. Due to increased challenges facing insurance companies in Kenya, management of the companies have sought strategic management as a tool to save the industry by formulating and implementing strategies. Despite this efforts, strategies implementations has not been achieved effectively as the insurance companies continue experiencing great challenges resulting to closure of companies and other being taken under receivership (AKI, 2010). Given the importance of strategy implementation, this study sought to fill the gap by seeking answers to the following research question how is strategy implemented in insurance companies and what are the challenges affecting strategy implementation at insurance companies.

1.3. Objectives of the study

The main objective of the study was to determine the challenge facing strategy implementation in Insurance industry.

1.3.1 Specific Objectives

The specific objectives of this study were:

(i) To determine how top level management support affects strategy implementation in the insurance industry.

(ii) To find out how ineffective government policies affects strategy implementation in insurance industry.

(iii) To determine how insufficient financial resources effects strategy implementation in insurance industry.

(iv) To find out how lack of ICT Adoption affects strategy implementation in insurance industry.
To find out how lack of Communication affects strategy implementation in insurance industry.

1.3.2 Research Questions

This study strived to answer the following research questions:

i. How does top level management support affects strategy implementation in the insurance industry?

ii. To find out how ineffective government policies affects strategy implementation in insurance industry?

iii. What are the effects of insufficient financial resources on strategy implementation in insurance industry?

iv. How does lack of ICT Adoption affects strategy implementation in insurance industry?

v. How does lack of Communication affects strategy implementation in insurance industry?

1.4 Significance of the study

The study will be important not only to management in Insurance companies in Meru County. It will offer insight on understanding the Challenges of strategy implementation and how to overcome helping in achieving success better than others.

The study will be significant to the management of the insurance companies in Kenya and others, as it will provide an insight into challenges of strategy implementation and how to overcome them. This will enable the management of insurance institutions and other organizations successfully implement adopted strategies for better performance.
The findings of this study will be significant to the Government in developing policies that will ensure smooth implementation of strategy in the insurance industry and other financial sectors.

The findings of this study will be useful to scholars as it will act as a reference for future study and forms a background for future study. It will help other academicians who undertake the same topic in their studies in acquisition of more knowledge on challenges facing implementation of strategies in insurance sector and other financial institutions.

The study will be a source of reference material for future researchers on other related topics; it will also help other academicians who undertake the same topic in their studies. The study will also highlight other important relationships that require further research; this may be in the areas of relationships between intelligence and firm’s performance.

1.5 Scope of the study

The Research on the challenge facing strategy implementation in Insurance industries was carried out on Insurance industry. The target location was the insurance companies in Meru County. The study was limited to collect data from 36 branch managers and their deputies working in the 18 licensed insurance companies in Meru County. This is because they are the people who stand a better position of offering the relevant information that helped in answering the research questions.

1.6 Limitations of the study

Research is a costly exercise due to writing materials, incentives and other miscellaneous expenses. The bureaucracy in the insurance management would lead to ineffective data collection. Lack of cooperation from the respondents for example some employees might
demand bribes in order to give the right information. Low response rates especially with questionnaire and lack of access to adequate, valid and reliable data would limit the study.

To mitigate the limitations facing the study, the purpose and intention of the study were explained and assurance was given to the respondents that the information they give were treated with utmost care and confidentiality. The researcher had an appointment with the branch Managers of Insurance Companies to brief them on the study for the purpose of assisting in ensuring the respondents co-operate during data collection process.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the information from other researchers who have carried out their studies in the same field of study in relevant to the objective of the study which is to investigate strategy implementation. The specific areas covered here are strategic implementation, strategy implementation models, stages of strategy implementation and challenges of strategic implementation and empirical review.

2.2 Theoretical review

2.2.1 Strategy

The initial interests of researchers were addressed at the rational deliberation of managers strategies identifying a seminal stream of studies referred to as "planning" approach. The focus of this approach was then extended to the organization directions, exploring different policies such as diversification and acquisition. At the beginning of the 1980s there was a significant change in the field, moving from the where to the how, starting to investigate the process whereby organizations try to achieve strategic change. This different perspective highlighted the variety of elements involved and their complex relation, shaping the strategy development as a path incrementally adjusted. The early work of Quinn (1980) gave an important contribution, being one of the first attempts to analyze systematically the apparent chaotic process enacted by strategists. He observed the experiences of several companies in achieving strategic change and going beyond the apparent chaos of events, he identified a series of incremental steps undertaken
by managers in the attempt of reaching a goal. Other researchers supporting the procession perspective recognized and have searched for logic behind the path for strategic change. Its clarification is indeed complex and it needs the exploration of both the macro-organizational level and the micro-subsystems involved in the transformation.

Quinn (1980) entailed the logical incrementalism observing strategy evolution overtime, which starts from the perception of a problem or an opportunity; managers initially react cautiously with an idea, which is further refined for identifying the goal. However the intervention is not clearly identified by time line, managers may know where to arrive but they do not know how to achieve the goal. Furthermore, while leading the change, new opportunities and problems could occur and move them away from the initial idea. Revealing similarities in the case studies, he defines a dominant model based on three major stages: creating awareness and commitment; solidifying progress; integrating processes and interests.

At the first stage, managers develop an informal network of relation to get information, usually bypassing formal systems and giving more prompt and focused information. The enlargement of the debate on possible solutions improves again the basis of decisions and it influences managers' behavior. Influencing behavior and searching for consensus remain basic issues also at the second stage incremental solidifying progress. This phase narrows the set of options previously considered in terms of organizational structure and human resource empowerment. The last stage instead entails the use of formal analytical techniques for establishing, measuring and rewarding key initiatives. This framework presented is an interesting rationale for interpreting change in complex organizations and environments, in which two key issues clearly
emerge: the stages of strategy procession development and the importance of human resources. However this procession perspective has been further developed alternatively tackling the organizations themselves, the organizational change and the formulation of strategies (Pettigrew, 1985).

2.2.2 Strategy Implementation

Implementation means carrying out the pre-determined strategic plans. Strategy emerges and evolves without interventions by the strategic planners, or in spite of them. Strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision-making, or as a result of complete coalitional involvement of implementation through a strong corporate culture. Implementing strategies successfully is about matching the planned and realizing strategies, which together aim at reaching the organization vision. With firms evolving in terms of structure it follows that the style of strategy implementation will differ depending on the style of organisation and management that exists in the firm. Different types of leadership style can play a critical role in overcoming barriers to implementation (Miller and Wilson and Hickson 2004).

In the strategy implementation is often called the action phase the firm is required to translate its strategies and policies into action through the development of specific budgets and procedures. In this phase, the necessary changes are also made within the organizational culture, structure (divisions, departments, products), and the relationships between these elements and the managerial levels among the top, middle and lower levels of the organization.
2.2.3 Process of Strategy Implementation

Schmidt (1994) claims that a strategic change can be successfully implemented through a four-stage process: Assess the organizational capabilities and behavior needed to move from what the company is to what it needs to become, Determine what work processes would be required to implement the strategy and design current work processes to fit those requirements, Identify what information needs the work processes generate, and determine what information systems and databases would be required to meet those needs and determine which organizational structure would best support those work processes.

This strategic change model can be translated into the following implementation problems: Key implementation tasks and activities were not sufficiently defined, Information systems used to monitor implementation were inadequate, and overall goals were not sufficiently well understood by employees. Lingle & Schiemann (1994) found that there are six areas of vital importance to long term successful strategy implementation. These areas are: market, people, finance, operation, adaptability, and environment.

Ansoff (1999) views strategy in terms of market and product choices. According to this author, strategy is the “common thread” among an organization’s activities and the market. Johnson and Scholes (1998) define strategy as the direction and scope of an organization that ideally matches the results of its changing environment and in particular its markets and customers so as to meet stakeholder expectation. According to Jauch and Glueck (1984), strategy is a unified and integrated plan that relates the strategic advantages of the firm to the challenges of the
environment and that is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization.

For successful strategy implementation, an organization should understand the impact on strategy of external environment, internal resources and competences, and the expectations and influence of stakeholders (Johnson and Scholes (2002), Pearce and Robinson, 1994). The organization exists in the context of a complex commercial, political, economic, social, technological, environmental and legal world. This environment changes and is more complex for some organizations than for others. For successful strategy implementation it is important for the company to understand historical and environmental effects as well as expected or potential changes in environmental variables (Johnson and Scholes, 2002).

The resources and competences of the organization make up its strategic capability, which enables success in implementation of chosen strategies. Just as there are outside influences on the organization and its choice and implementation of strategies, so there are internal influences. These internal influences constitute strengths and weaknesses. Competences such as skills and know-how enhance successful strategy implementation.

With the changing environment, there emerge a number of influences on an organization's purpose. Questions on who should the organization primarily serve and how should managers be held responsible influence strategy implementation. The changing expectations of different stakeholders affect the purpose and focus of the strategy (Johnson and Scholes, 2002). Cultural
influences from within the organization and from the world around it also influence the strategy (Pearce and Robinson, 1994)

2.4 Strategy implementation Models

The majority of extant taxonomy models in strategy implementation tend to be normative in nature (Parsa, 1999). Alternatively, they are developed from organisational observation, and as such, become context specific and frequently lack any broader theoretical grounding (Hooley et al., 1992). In contrast, Bourgeois and Brodwin's (1984) model is comprehensive, is based on specific theoretical assumptions and has been used by authors such as Parsa (1999). Bourgeois and Brodwin (1984) to refute the traditional approach to strategy implementation as simply an adjunct to the strategy formulation phase of the strategy process. Rather, they contend that strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision-making, or as a result of complete coalitional involvement of implementation staff through a strong corporate culture.

The structure of a firm influences the flow of information and the context and nature of interpersonal interaction within it. Structure also channels collaboration, prescribes means of communication and co-ordination as well as allocating power and responsibility (Miller, 1987). Traditionally firms have addressed these basic needs for coordination and cooperation by hierarchical configurations (Grant, 2002), with centralized decision-making, strict adherence to formally prescribed rules and procedures and carefully constructed roles and relationships. Others, due to the unpopularity of bureaucracy in large firms, started a movement toward de-layering hierarchies (Homburg et al., 2000; Workman et al., 1998). Downsizing has resulted in
the roles of employees altering dramatically as structure is re-engineered (Balogun, 2003). These firms are characterized by decentralized decision-making, small senior executive teams and an emphasis on horizontal rather than vertical communication (Webster, 1992). With firms evolving in terms of structure it follows that the style of strategy implementation will differ depending on the style of organization and management that exists in the firm.

2.4.1 Change Model

The change model can be identified through the changing of structure and staff to convey the firm's new priorities; alternating planning, performance measurement, incentive compensation systems; and using of cultural adaptation techniques to introduce system changes. The senior managers not only pass the strategy to their subordinates, but also take part in the implementation phase (DeWit and Meyer, 2004). However, the change model has its limitations under the circumstances of inaccurate information, disincentives against objectivity by managers, and motivational problems (Bourgeois and Brodwin, 1984).

According to this model, there is a greater concordance between the “thinkers” (those employees exhibiting cerebral tendencies, preferring intellectual judgement and reasoning to solve organizational problems) and “doers” (those employees manifesting the practical ability to make things happen and exhibit intra-preneurial flair). An appreciation of the political nature of the firm is essential in implementing desired strategies. The strategy content is considered as an evolving process, rather than as a set of predetermined plans. The goals of the firm remain predominantly economic but are adjusted to reflect specific strengths and weaknesses of the firm.
2.4.2 Cultural Model

The cultural model emphasizes a lower level employee participation in both strategy formulation and implementation thus leading to the disappearance of the separation of “thinkers” and “doers”. It seeks to implement strategy through the infusion of corporate culture throughout the firm. The SMET is an initiator, a visionary, and a communicator of the forward thinking process, thus the strategy of an organization is stated in terms of broad guidelines and long-term direction.

In this model, the SMET guides the Organisation by communicating the vision for the firm while then allowing lower level employees to participate in the strategy implementation. The model works under the circumstances of decentralized organisations, where there are shared goals between the firm and its participants, and where the firm is stable and growing. Understanding super-ordinate goals, style, and cultural norms become essential for the continued success of a firm. The cultural model contradicts and challenges the basic objectives from the economic perspective of a firm (Parsa, 1999). A “clan-like” (Ouchi, 1980) organisations is expected to prevail, where a powerful culture results in employees aligning their individual goals and behaviours with those of the firm.

Each implementation style differs in the extent of centrality, the extent of group interaction, the degree of control exerted, the influence of firm culture and the way in which strategy develops. Bourgeois and Brodwin (1984) postulate that these are not mutually exclusive forms, and do not indicate that any style is necessarily better than the other. In spite of this stance however, we argue that hierarchical structures, similar to that advocated by the “change” style of
implementation (Grant, 2002) are essential for creating the efficient and flexible co-ordination of strategy implementation.

2.4.3 Collaborative Model

In this model, organizations have both a strong culture and deep-rooted traditions. Successful implementation requires the cultivation of strong cultural values to meet the changing organizational needs. The distinction between “thinkers” and “doers” begins to blur but does not totally disappear. This model requires greater emphasis on human resource practices and as a result, the chosen strategy is a best possible compromise among the conflicting views of the differing groups. The outcome measures are not necessarily determined in economic terms but as levels of long-term goal achievement. However, there are possibilities that the collaborative model is politically feasible but not economically rational due to the fact that it is the outcome of negotiation (Bourgeois and Brodwin, 1984).

2.5 Empirical Review

Strategy implementation has attracted much less attention in strategic and organizational research than strategy formulation or strategic planning. Alexander (1991) suggests several reasons for this: strategy implementation is less glamorous than strategy formulation, people overlook it because of a belief that anyone can do it, people are not exactly sure what it includes and where it begins and ends. Furthermore, there are only a limited number of conceptual models of strategy implementation. This includes unstable demand, and the variety of products. There are many operation-related problems to implementing strategies. These are problem with suppliers, need for production software, loss of control of inventory, inapplicability of strategies
to low-volume operations or batch oriented productions, management complacency and fear of late production; and conflicts with ongoing projects (Drazin and Howard 1984). The following are some of barrier to effective implementation of strategies in the Insurance industry.

2.5.1 Lack of Top level Management Support

The level of effort that an individual manager will apply to the implementation of a particular strategy depends on his perception of his and the organization’s potential to perform, and his perception of the likelihood that successful performance will lead to an outcome that he desires. Managers who believe their self-interest is being compromised can redirect a strategy, delay its implementation, reduce the quality of its implementation, or sabotage the effort. Upward intervention, in their conception, may include subversive behaviors such as verbal arguments, objecting memos, coalition formation, the deliberate creation of barriers to implementation, and even sabotage. Passive intervention can take the form of giving a strategy a low priority or taking too much time implementing strategic decisions, both of which can result in unnecessary delays and inhibit the implementation effort.

Lack of Participation of employees in the process of budget preparation de-motivates them to achieve budget goals. According to (Ramsey, 1985) he observed that budgets should be used to motivate subordinates to increase their output and efficiency by encouraging their participation during budget preparation. According to Cook, (1968), in his study found that bonus and promotion or new assignments are positively correlated with budget performance. Shields and Young (1993) found that participative budgeting is used more frequently when lower level
management and senior management within an organization are linked to budget preparation and implementation.

Heracleous (2000) indicated that if middle management do not think the strategy is the right one, or do not feel that they have the requisite skills to implement it, and then they are likely to sabotage its implementation by deliberate actions or inactions, if implementing the strategy may reduce their power and influence. Therefore, Heracleous also sees the perceived ability and perceived consistency between personal goals and the strategic change goals as the decisive soft factor. Hrebiniak, (2006) believe that the approach of matching strategy and managers style ignores the causal role of the organizational context or the interaction of personality and context on implementation actions. It is widely accepted that different strategies need to be implemented in different ways. Their study demonstrates, at least in a laboratory setting, that strategy plays a significant role in shaping managers intentions. Managers can alter their behaviors to suit different strategy situation.

The role of appropriate management in strategic success is highly significant. It has been observed that leadership plays a critical role in the success and failure of an enterprise (Kazmi, 2002). Adequate leadership is needed for effective implementation of strategy as this will ensure that all company efforts is united and directed towards achievement of company goals (Pearce and Robinson, 1988). Chief executives should play a leading role by helping in setting company values and giving a positive lead. The chief executive role of developing motivational systems and management values is critical to the success of a company. While Lewis (1984) argues that the CEO have to be somebody who can create organizations and corporate cultures capable of
integrating a wide range of different, but critical areas of expertise in the organizations they manage.

More recent articles confirm notable barriers to successful strategy implementation about which there appears to be a degree of accord including Beer and Eisenstat's (2000) top-down/laissez-faire senior management style; unclear strategic intentions and conflicting priorities; an ineffective senior management team; poor vertical communication; weak co-ordination across functions, businesses or borders; and inadequate down-the-line leadership skills development (Beer and Eisenstat, 2000). It is recognized that such change requires a shared vision and consensus if competence, coordination and commitment are lacking and that lack of understanding of how the strategy should be implemented; customers and 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 lead to barrier of effective strategy implementation. Rather, the major challenges to be overcome appear to be more cultural and behavioural in nature, including the impact of poor communication and diminished feelings of ownership and commitment (Aaltonen and Ikävalko, 2002).

The challenging aspect when implementing strategy is the top management’s commitment to the strategic direction itself. In some cases top managers may demonstrate unwillingness to give energy and loyalty to the implementation process (Marginson, 2002). This demonstrable lack of commitment becomes, at the same time, a negative signal for all the affected organizational members. Many organizations are faced with the challenge of lack of institution of a two-way-
communication program that permits and solicits questions from employees about issues regarding the formulated strategy. In addition to inability to solicit questions and feedback, lack of communication causes more harm as the employees are not informed about the new requirements and tasks and activities to be performed by the affected employees.

One of the reasons why strategy implementation processes frequently result in difficult and complex problems or even fail in total is the vagueness of the assignment of responsibilities. Finally, on review of literature on strategy implementation there is evidence of some recurring themes, including coordination which is essential to ensure that people across the organization know what to do and to ensure that they stay focused on the key targets under the everyday pressures (Miller and Wilson, 2004).

Top management refers to senior-level leaders including presidents, owners, and other high ranking executives (CEO, CFO, COO) and senior-level managers. Hrebiniak and Snow, 1982 stipulates that the effect of top management on strategy implementation, Process of interaction and participation among the top management team typically leads to greater commitment to the firm's goals and strategies. This, in turn, serves to ensure the successful implementation of the firm's chosen strategy. Effective senior-level leadership behaviors will be directly related to successful strategy implementation. The senior-level leaders who have been trained in or studied strategic planning and implementation are more likely to meet the performance targets set for the company.
2.5.2 Ineffective Government policies

The difficulties faced by insurance companies have given rise to pressures for government to become involved in the market. Government involvement usually occurs when there has been a major failure in private insurance markets. In the United States, the federal government provides subsidized flood insurance; and the current markets for hurricane coverage in Florida and earthquake insurance in California exist largely due to state government intervention. By adopting TRIA, the U.S. government

In many OECD countries, governments use tax revenues to establish prefunded disaster-relief funds. This approach is used in countries such as Australia, Denmark, Mexico, the Netherlands, Norway, and Poland (Freeman and Scott, 2005). In several of these countries, the government provides compensation only for losses that cannot be privately insured. This approach is somewhat similar to the disaster-relief funding provided by the federal government in the United States. Several countries have established government insurance programs to provide coverage for natural disasters. Over the past decade or so, the FSB embarked on an extensive legislative program, probably the most extensive in the history of South Africa. This includes the passage of the Long-Term Insurance Act 52 of 1998, the Short-Term Insurance Act 53 of 1998, including subsequent amendments to these Acts, the Financial Services Board Amendment Acts 1992, 2000, 2002, various Financial Institutions Amendment Acts, the Financial Advisory and Intermediary Services (FAIS) Act 37 of 2002, the Financial Intelligence Centre Act (FICA) 38 of 2001, the Collective Investment Schemes Control Act 45 of 2002 that is mutual funds, and so on. Secondary legislation has also been promulgated and revised. This includes the Policyholder Protection Rules for long- and short-term insurance. Financial intermediaries have never been
regulated, but are now regulated in terms of FAIS. FICA was passed to bring South Africa’s money laundering legislation in line with international practices. The legislative review has not been brought about by any serious event in the market place, such as the collapse of an insurance company (Morgan, 2002).

The traditional insurance industry in Kenya has regulatory laws, rules and regulations designed to ensure the stability of the insurance system and to protect the interest of policy holders. However, these laws, rules and regulations have developed over time with traditional insurance in mind which is inaccessible to the poor. The supply of commercial insurance to low income households from the informal sector seems to be constrained by overly restrictive regulatory environments. Minimum capital requirements, licensing, distribution channels and investment restrictions that are often designed for higher-income markets seem to limit the providers’ ability to offer insurance to low-income customers.

2.5.3 Insufficient Finance

Financial barrier to strategy implementation include budget restrictions limiting the overall expenditure on the strategy, financial restrictions on specific instruments, and limitations on the flexibility with which revenues can be used to finance the full range of instruments. PROSPECTS found that road building and public transport infrastructure are the two policy areas which are most commonly subject to financial constraints, with 80% of European cities stating that finance was a major barrier.

The budget process constitutes an important tool for governments to mobilize adequate resources for firms, translate policies into pro-poor investments and provide equitable and efficient quality
health services. It also sets the targets for which governments can be held accountable. In many countries institutions are weak, budget processes are undemocratic and public participation opportunities are limited. Resources risk being diverted from the country’s key social priorities at the very early stage of the budget formulation and resource allocation towards more politically or financially “profitable” sectors.

Companies allocate resources through various layers of national and local government’s institutions. Financial accountability using monitoring, auditing and accounting mechanisms defined by the country legal and institutional framework is a prerequisite to ensure that allocated funds are used for the intended purposes. In many developing countries, governments do not have the financial and technical capacity to effectively exercise such oversight and control functions, track and report on allocation, disbursement and use of financial resources year (MCT, Treasurers manual, 2007).

Resource allocation encompasses the use of major resources such as money, people, and capabilities. In addition to financial resources, Montgomery (1992) identifies resources such as physical capital (plant, equipment, geographic location, and access to raw materials), human capital (training, experience, judgment, intelligence, relationships, and the insight of managers and workers), and organizational capital (formal reporting systems, informal relationships within the firm, and relationships between the firm and its external environment).

Gupta (2003) finds that mutual coordination, incentive systems and the level of decentralization between the general manager and his or her superior influence the organization’s effectiveness in strategy implementation. To build market share or to pursue differentiation as a competitive
strategy, openness in organization relations and subjectivity in performance assessment were found to be positively associated with effectiveness. For the organization to maximize short-term earnings or to pursue low cost as a competitive strategy, the corresponding association was found to be negative. In contrast, organization decentralization emerged as positively associated with business unit effectiveness, irrespective of their strategic contexts. Chimhanzi (2004) suggests that cross-unit working relationships have a key role to play in the successful implementation of marketing decisions. Implementation effectiveness is affected negatively by conflict and positively by communication and specifically, interpersonal, not written. In turn, these interdepartmental dynamics are affected by senior management support, joint reward systems, and informal integration. Chimhanzi (2004) also points out that the marketing and R&D interface remains the most extensively researched dyad within the specific context of the new product development (NPD) process. All of the internal elements listed in this article require capital to employ. For example, highly skilled workers demand higher wages, technological infrastructure can be costly, and reward systems require capital if material goods are offered. Develop a detailed and realistic budget for allocating the capital necessary to effect the internal changes of strategic plan implementation, and watch spending closely throughout the process.

2.5.4 Lack ICT Adoption

Systems refer to the formal and informal procedures used to manage the organization, including management control systems, performance measurement and reward systems, planning, budgeting and resource allocation systems, and management information systems. Staff refers to the people, their backgrounds and competencies; how the organization recruits, selects, trains, socializes, manages the careers, and promotes employees. Skills refer to the distinctive
competencies of the organization; what it does best along dimensions such as people, management practices, processes, systems, technology, and customer relationships (Kaplan, 2005).

Ross and Weill (2002) suggest that companies that manage their information technology investments successfully will generate 40% higher returns than their competitors. Essentially, the strategic support system provides timely access to both qualitative and quantitative data about customers, human resources, revenues and costs, and inventory/order fulfillment. Strategically, decisions have to be made about how much to spend, which business process to support, and which capabilities are needed company-wide versus function-wide. Tactically, the quality of information technology needed in the firm and security/privacy concerns are issues that arise in the implementation of the information technology itself.

In conjunction with its action structural lever, Firms utilized its systems lever in the development of a decision-support model to assist in making complicated cross-functional issues easier to understand. Mapping the cross-functional decision process into a decision-support system enabled managers to quantify subjective interactions and include situational aspects of marketing and production interactions into a more easily understood framework. Using the decision-support system as a means of understanding the possible consequences of individual marketing, joint marketing, and production decision-making showed that functionally anchored decision criteria gave poorer results than cross-functional decision criteria. Additionally, the development, operationalization, and discussion of in the context of implementing strategies, the application of software solutions seems to be neglected. Recent experience has shown that IT-support is
gaining more and more importance. Information tools must be available and adequate to allow strategic decision makers to monitor progress towards strategic goals and objectives, track actual performance, pinpoint accountability, and most important provide an early warning of any need to adjust or reformulate the strategy (Rapa and Kauffman, 2005).

Unfortunately, this seems to be limited to enterprise resource planning (ERP) systems, which are prevalent in the operative environment of a company's day-to-day business. The strategy implementation perspective demands systems with different criteria than those of conventional systems. The supportive character in monitoring and tracking the implementation process should be in the center of interest (Rapa and Kauffman, 2005).

In the past, these activities were tracked manually or launched on an ad hoc basis so that there was a lack in mandatory installed business processes. The supportive application of adequate software solutions can be more than helpful to improve the quality of strategy implementation. In addition to that, a software solution is a starting point to define as mentioned above clear assignments of responsibilities throughout the organization's implementation processes (Rapa and Kauffman, 2005).

Traditional strategy implementation concepts generally over-emphasize the structural aspects and reduce the whole effort down to an organizational exercise. It is dangerous, however, when implementing a new strategy, to ignore the other existing components (Rapa and Kauffman, 2005). Strategy implementation requires an integrative point of view. Not only the organizational structure, but also cultural aspects and the human resources perspective are to be considered as well. An implementation effort is ideally a boundary less set of activities and does not
concentrate on implications of only one component, for example the organizational structure (Rapa and Kauffinan, 2005). It is of great importance to integrate soft facts as well in the reflection of the implementation process. The consideration of soft and hard facts together ascertains that cultural aspects and human resources receive at least the same status as organizational aspects. Altogether, such an integrative interpretation allows an important scope of development for implementation activities (Rapa and Kauffinan, 2005).

2.3.2 Lack of Communication

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

In this context, many organizations are faced with the challenge of lack of institution of a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy. In addition to inability to solicit questions and feedback, lack of communications cause more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees, and, furthermore, cover the reason (“the why”) behind changed circumstances (Alexander, 1985).

It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion. However, one may misunderstand communication, or the sharing of information, as engagement the direct dialogue that produces
lack of active participants in the process. The way in which a strategy is presented to employees is of great influence to their acceptance of it. To deal with this critical situation, an integrated communications plan must be developed. Such a plan is an effective vehicle for focusing the employees’ attention on the value of the selected strategy to be implemented (Rapa and Kauffman, 2005).
2.6 Conceptualization

Figure 2.1 Conceptual Framework

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of Top level Management support</td>
<td>Strategy Implementation</td>
</tr>
<tr>
<td>Ineffective Government policies</td>
<td></td>
</tr>
<tr>
<td>Insufficient Finance</td>
<td></td>
</tr>
<tr>
<td>Lack of ICT Adoption</td>
<td></td>
</tr>
<tr>
<td>Lack of Communication</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2012)

2.7 Research Gap

The mainstream strategic studies have not considered the Insurance industry, and conventional thought within the industry has often downplayed strategy's significance (Love et al, 2002). Notably in Kenya, most of the studies earlier done in the construction sector sought to identify the chronic problems of project implementation as opposed to critically assessing the
managements’ strategic fit. While strategy formulation is primarily an intellectual and creative act involving analysis and synthesis, implementation is a hands-on operation and action oriented human behavioral activity that calls for executive leadership and key managerial skills. In addition, implementing a newly crafted strategy often entails a change in corporate direction and frequently requires a focus on effecting strategic change.

Whether insurance companies wins or loses in the marketplace, it is directly attributable to the calibers of a financial institution’s strategy and the proficiency with which the strategy is implemented and executed. Implementing and executing strategy are thus the core management functions. Indeed, competent strategy and good strategy implementation are the most trustworthy signs of quality and good management (Aosa, 1992).

Nowadays, strategic planning and strategic implementation are used to enhance a competitive intelligence culture in the internal organization. The environmental conditions facing banking institutions have changed. Today’s global competitive environment is complex, dynamic, and largely unpredictable. To deal with this unprecedented level of change, a lot of thinking has gone into the issue of how strategies are best formulated and implemented. There is a need for insurance companies in Kenya to establish what could be hindering implementation of the strategies.
CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter sets out various stages and phases that will be followed in completing the study. It involves a blueprint for the collection, measurement and analysis of data. In this stage, most decisions about how research was executed and how respondents were approached, as well as when, where and how the research was completed. Specifically the following subsections should be included; research design, target population, population census design, data collection instruments, data collection procedures and finally data analysis.

3.2 Research Design

Research design refers to the way the study was designed, that is, the method used to carry out a research. It is important to highlight the two main methods when investigating and collecting data quantitative and qualitative. A quantitative approach is strongly linked to deductive testing of theories through hypotheses, while a qualitative approach to research generally is concerned with inductive testing (Saunders et al, 2003). The main focus of this study was quantitative. However some qualitative approach was used in order to gain a better understanding and enabled a better and more insightful interpretation of the results from the quantitative study.

This research problem can best be studied through the use of a descriptive research design. Descriptive research is the investigation in which quantitative data is collected and analysed in order to describe the specific phenomenon in its current trends, current events and linkages
between different factors at the current time. Descriptive research design was chosen because it enables the researcher to generalise the findings to a larger population. The descriptive research design approach has been credited due to the fact that it allows analysis the relations of variables under study using descriptive statistics as long as the sampling units for the study are many. It also allows greater flexibility in terms of money and time as well as avoiding the hardship of hunting for respondents more than once to produce high response rate. These reasons justify why this study adopted descriptive research design. This study therefore is able to generalise the findings to all the insurance companies in Kenya.

3.3 Target Population

Target population in statistics is the specific population about which information is desired. According to Ngechu (2004), a population is a well-defined or set of people, services, elements, events, group of things or households that are being investigated. This definition ensures that population of interest is homogeneous. And by population the researcher means complete census of the sampling frames. Population studies also called census are more representative because everyone has equal chance to be included in the final sample that is drawn according to Mugenda and Mugenda (1999).

The population of this study comprised of 36 branch managers and their deputies from the 18 licensed insurance companies operating in Meru County.

3.4 Population Census

This method of data collection is also known as complete enumeration technique or 100% enumeration technique. Under this technique each and every item or unit constituting the
universe is selected for data collection. In this case, managers and their deputies working at both life and general insurance companies in Meru were involved. The study carried out a census survey where 36 managers and their deputies were selected for the purpose of data collection. Statistically, in order for generalization to take place, at least 30 elements must exist (Cooper and Schindler, 2003).

3.5 Data Collection

The researcher used both primary and secondary data. According to Sproul (1998), a self-administered questionnaire is the only way to elicit self report on people’s opinion, attitudes, beliefs and values. Primary data was obtained through self-administered questionnaires with closed and open-ended questions. As much as possible, a 5-point likert scale on challenges facing strategy implementation in insurance companies in Meru County. The questionnaires will include structured and unstructured questions and will be administered through drop and pick method to respondents who will be branch managers and their deputies in the insurance companies in meru. The closed ended questions enabled the researcher to collect quantitative data while open-ended questions enabled the researcher to collect qualitative data. The questionnaire was divided into two sections. Section one is concerned with the general information about respondents, while section two deals with the issues of challenges facing strategy implementation in insurance industry. Secondary data was collected by use of desk search techniques from published reports and other documents. Secondary data includes the companies' publications, journals, periodicals and information obtained from the internet.
3.6 Data Analysis

Before processing the responses, the completed questionnaires were edited for completeness and consistency. The data was then coded to enable the responses to be grouped into various categories. A descriptive analysis was employed. Descriptive statistics such as means, standard deviation and frequency distribution was used to analyze the data. All quantitative data on factors affecting strategy implementation in the insurance industry was measured in real values by normalizing. Quantitative data was analysed using the SPSS. Tables and other graphical presentations as appropriate were used to present the data collected for ease of understanding and analysis. The researcher used the data with an aim of presenting the research findings in respect to challenges facing strategy implementation. Tables were used to summarize responses for further analysis and facilitate comparison. This generated quantitative reports through tabulations, percentages, and measure of central tendency.

3.7 Ethical Issues

Due to sensitivity of some information that was collected, the researcher held a moral obligation to treat the information with utmost propriety. Since the respondents might be reluctant to disclose some information, the researcher reassured the respondents of confidentiality of the information given.
CHAPTER FOUR

DATA FINDINGS, ANALYSIS AND PRESENTATION

4.1 Introduction

The main objective of the study was to determine the challenge facing strategy implementation in Insurance industry. The data was gathered using a questionnaire as the research instruments. The questionnaire was designed in line with the objectives of the study. To enhance quality of data obtained, Likert type questions were included whereby respondents indicated the extent to which the variables were practiced in a five point Likert’s scale.

4.1.2 Response rate

The population of this study comprised of 36 branch managers and their deputies from the 18 licensed insurance companies operating in Meru County. From the study, 18 out of the 36 sample respondents filled-in and returned the questionnaires making a response rate of 50%. This reasonable response rate was made a reality after the researcher made personal calls and visits to remind the respondent to fill-in and return the questionnaires.
4.1.3 Demographic Information

Gender of the respondents

Figure 4.1: Gender of the respondents

According to the findings, 72% of the respondents were male, while 28% of the respondents were female.

Age bracket of the respondents
The descriptive statistics of the study indicated that 66.7% of the respondents were aged between 41-44 years, 16.7% of the respondents were aged between 31-34 years, 11.1% of the respondents were aged between 25-30 years, while only 5.6% of the respondents were aged between 35-40 years.

Duration of time respondents had served in the company
According to the research findings, 55.6% of the respondents had served in the company for 2-5 years, while 44.4% of the respondents had served in the company for 6-10 years.

**Highest level of education reached by the respondents**
Majority (55.6%) of the respondents interviewed during the research study were graduates with bachelors degrees, 16.7% of them had masters degrees, 16.7% of them were higher national diploma holders, while the rest of them (were) certificate holders.

4.2 Top level management Support

It was observed that 66.7% of the respondents indicated that the level of commitment of employees affects the strategic implementation at the insurance companies to a very great extent while only 33.3% of them indicated that level of commitment of employees affect the strategic implementation at the insurance companies to a very great extent.
The research sought to find out the respondents level of agreement with various statements about the effect of level of commitment of employees on strategic implementation. From the findings, the respondents agreed that service quality must be intertwined which required commitment to the concept from the whole organisation as shown by a mean of 4.3, the respondents agreed that control of standards must be achieved by adopting techniques that will turn service into tangible measurements as shown by a mean of 3.9, the respondents agreed that there should be consistency in product and delivery standards as shown by a mean of 3.6 and the respondents

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Mean</th>
<th>Std</th>
</tr>
</thead>
<tbody>
<tr>
<td>The employee’s commitment to the strategic direction itself is the most important factor.</td>
<td>55</td>
<td>29</td>
<td>6</td>
<td>6</td>
<td>3</td>
<td>4.3</td>
<td>0.2</td>
</tr>
<tr>
<td>The employee’s must demonstrate their willingness to give energy and loyalty to the implementation process for it to succeed.</td>
<td>19</td>
<td>42</td>
<td>26</td>
<td>10</td>
<td>3</td>
<td>3.6</td>
<td>0.5</td>
</tr>
<tr>
<td>The managers must not spare any effort to persuade the employees of their ideas for strategy implementation to be effective.</td>
<td>39</td>
<td>29</td>
<td>23</td>
<td>6</td>
<td>3</td>
<td>3.9</td>
<td>0.2</td>
</tr>
<tr>
<td>Lack of employee’s backing is the main inhibiting factor</td>
<td>39</td>
<td>16</td>
<td>19</td>
<td>13</td>
<td>13</td>
<td>3.5</td>
<td>0.1</td>
</tr>
<tr>
<td>Lack of employee’s commitment affect support and guidance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
agreed that chosen quality levels must be kept under review as shown by a mean of 3.5. This implies that law firms followed the steps in ensuring quality service.

4.3 Ineffective Government Policies

Respondents' opinion on whether the government policy on insurance has affected implementation of strategies in the company

![Figure 4.6: Respondents' opinion on whether the government policy on insurance has affected implementation of strategies in the company](image)

On whether the government policy on insurance has affected implementation of strategies in the company 78% of the respondents indicated that government policy on insurance has affected implementation of strategies in the company, while only 22% of them indicated that government policy on insurance has not affected implementation of strategies in the company.
Table 4.2: Extent that respondents agreed statements concerning the influence of government policy on strategy implementation in insurance companies

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Mean</th>
<th>Stdev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The government has set up conducive business rules for insurance companies</td>
<td>29</td>
<td>29</td>
<td>19</td>
<td>6</td>
<td>16</td>
<td>3.5</td>
<td>0.4</td>
</tr>
<tr>
<td>The government has provided incentives to insurance companies</td>
<td>16</td>
<td>45</td>
<td>10</td>
<td>19</td>
<td>10</td>
<td>3.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Government support insurance in implementing strategies through provision of technology infrastructure</td>
<td>39</td>
<td>26</td>
<td>13</td>
<td>13</td>
<td>10</td>
<td>3.7</td>
<td>0.4</td>
</tr>
<tr>
<td>Higher taxes levied on insurance service affects strategy implementation in the company</td>
<td>19</td>
<td>29</td>
<td>23</td>
<td>16</td>
<td>13</td>
<td>3.3</td>
<td>0.3</td>
</tr>
</tbody>
</table>

From the findings, respondents agreed that government support insurance in implementing strategies through provision of technology infrastructure as shown by a mean of 3.7; that the government has set up conducive business rules for insurance companies as shown by a mean of 3.5; the government has provided incentives to insurance companies as shown by a mean of 3.4; and that higher taxes levied on insurance service affects strategy implementation in the company as shown by a mean of 3.3.
4.4 Availability of Finances

Whether budget restriction affects strategy implementation in the company

Figure 4. 7: Whether budget restriction affects strategy implementation in the company

The study sought to find out whether budget restriction affects strategy implementation in the company. Ninety three percent of the respondents indicated that budget restriction affects strategy implementation in the company, while 7% of them indicated that budget restriction affects strategy implementation in the company.
Table 4.3: Extent that respondents agreed statements relating to effects of funds on strategy implementation in the company

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Stdev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate access of credit hinders implementation of strategies</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>64</td>
<td>34</td>
<td>4.26</td>
<td>0.3</td>
</tr>
<tr>
<td>Low finance accessibility limit insurance expenditure on strategy implementation</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>31</td>
<td>59</td>
<td>4.46</td>
<td>0.3</td>
</tr>
<tr>
<td>Insufficient fund hinder acquisition of experience staff hindering effective implementation of strategies</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>64</td>
<td>36</td>
<td>4.27</td>
<td>0.3</td>
</tr>
<tr>
<td>Lack of credits affects diversification of insurance operations</td>
<td>0</td>
<td>0</td>
<td>23</td>
<td>62</td>
<td>15</td>
<td>3.87</td>
<td>0.3</td>
</tr>
<tr>
<td>Inadequate finances hinders accessibility of competent personnel to manage the business</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>8</td>
<td>77</td>
<td>4.52</td>
<td>0.4</td>
</tr>
<tr>
<td>Lack of fund hinder insurance from acquiring technology affecting strategy implementation</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>69</td>
<td>23</td>
<td>4.08</td>
<td>0.3</td>
</tr>
<tr>
<td>The cost of the information is very expensive to obtain due to lack of fund</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>46</td>
<td>46</td>
<td>4.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Inadequate access of credit hinders implementation of strategies</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>65</td>
<td>20</td>
<td>3.98</td>
<td>0.3</td>
</tr>
</tbody>
</table>

The research sought to find out the respondents’ agreement level with factors affecting strategy implementation. According to the findings, the respondents strongly agreed that for strategy to work there must be a clear assignment of responsibilities as shown by a mean of 4.52 and the respondents agreed that the involvement of middle managers valuable knowledge was crucial as shown by a mean of 4.46. In addition, the respondents agreed that the commitment of top
management was important if a strategy was to succeed as shown by a mean of 4.26, the respondents agreed that communication was vital when implementing a strategy as shown by a mean of 4.27, the respondents agreed that when implementing strategy teamwork activities should be emphasized as shown by a mean of 4.30 and the respondents agreed that unexpected problems occurred during strategy implementation process as shown by a mean of 4.23. Moreover, the respondents agreed that activities coordination was not rightly performed during strategy implementation process as shown by a mean of 4.17, the respondents agreed that some competitive jobs diverted managers attention from strategy implementation process as shown by a mean of 4.17, the respondents agreed that measures should be established in order to minimize resistance to the strategy being implemented as shown by a mean of 4.08, the respondents agreed that managers in charge of strategy implementation could not be able to do leading and directing properly as shown by a mean of 4.03, the respondents agreed that strategy implementation process was affected by uncontrollable external factors as shown by a mean of 4.01, the respondents agreed that to make strategy work different individual characters should be respected as shown by a mean of 3.98 and the respondents agreed that implementation of strategy was done by staff who were not adequately trained as shown by a mean of 3.87. Finally, the respondents agreed that it is important to have an integrative point of view when formulating a strategy as shown by a mean of 3.87, the respondents agreed that there was no information system for sufficient control of activities as shown by a mean of 3.7, the respondents agreed that strategy implementation activities and key tasks were poorly defined as shown by a mean of 3.7, the respondents agreed that staff implementing strategy were not capable enough as shown by a
mean of 3.59 and the respondents agreed that strategy implementation took more time than expected as shown by a mean of 3.54.

**Extent does insufficient fund affects rewarding of insurance employees resulting to resistance to implementation of strategy in your company**

![Bar Chart](image)

**Figure 4.8: Extent does insufficient fund affects rewarding of insurance employees resulting to resistance to implementation of strategy in your company**

Fifty percent of the respondents were in disagreement that insufficient funds affect rewarding of insurance employees resulting to resistance to implementation of strategy in the company, 27.8% of the respondents agreed that insufficient funds affect rewarding of insurance employees resulting to resistance to implementation of strategy in the company, 27.8% of the respondents strongly felt that insufficient funds affect rewarding of insurance employees resulting to
resistance to implementation of strategy in the company, while only 5.6% of them strongly disagreed.

4.5 Systems adopted by company

Extent to which responsibilities of managers affect strategy implementation at the insurance companies

![Bar chart showing the extent of managerial responsibilities affecting strategy implementation at insurance companies.]

Figure 4.9: Extent to which responsibilities of managers affect strategy implementation at the insurance companies

On the extent to which responsibilities of managers affect strategy implementation at the insurance companies, 38.9% of the respondents indicated that responsibilities of managers affect strategy implementation at the insurance companies to a very great extent, 27.8% of them indicated that responsibilities of managers affect strategy implementation at the insurance companies to a great extent, 11.1% of them indicated that responsibilities of managers affect strategy implementation at the insurance companies to a moderate extent, 11.1% of them indicated that responsibilities of managers affect strategy implementation at the insurance companies to a little extent, and 5.6% of them indicated that responsibilities of managers do not affect strategy implementation at the insurance companies at all.
indicated that responsibilities of managers affect strategy implementation at the insurance companies to a little extent while 5.6% of them indicated that responsibilities of managers do not at all affect strategy implementation at the insurance companies.

Table 4.4: Extent to which respondents agreed with statements relating to effects of systems adopted by companies on strategy implementation in the company

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Stddev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance measurement in your company</td>
<td>0</td>
<td>8</td>
<td>8</td>
<td>39</td>
<td>45</td>
<td>4.18</td>
<td>0.2</td>
</tr>
<tr>
<td>The reward systems</td>
<td>0</td>
<td>8</td>
<td>8</td>
<td>70</td>
<td>14</td>
<td>3.87</td>
<td>0.4</td>
</tr>
<tr>
<td>The planning process</td>
<td>0</td>
<td>0</td>
<td>23</td>
<td>46</td>
<td>31</td>
<td>4</td>
<td>0.2</td>
</tr>
<tr>
<td>The budgeting and resource allocation systems</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>56</td>
<td>29</td>
<td>4.04</td>
<td>0.3</td>
</tr>
<tr>
<td>management information systems</td>
<td>0</td>
<td>3</td>
<td>31</td>
<td>45</td>
<td>21</td>
<td>3.81</td>
<td>0.2</td>
</tr>
<tr>
<td>management control systems</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>54</td>
<td>38</td>
<td>4.23</td>
<td>0.3</td>
</tr>
<tr>
<td>Top management support</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>70</td>
<td>15</td>
<td>3.93</td>
<td>0.4</td>
</tr>
<tr>
<td>Competency and qualification of the staff</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>70</td>
<td>15</td>
<td>3.95</td>
<td>0.4</td>
</tr>
<tr>
<td>management control systems</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>54</td>
<td>38</td>
<td>4.23</td>
<td>0.3</td>
</tr>
<tr>
<td>Top management support</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>70</td>
<td>15</td>
<td>3.93</td>
<td>0.4</td>
</tr>
<tr>
<td>Employees resistance</td>
<td>10.0</td>
<td>10.0</td>
<td>14.0</td>
<td>40.0</td>
<td>26.0</td>
<td>3.6</td>
<td>1.3</td>
</tr>
<tr>
<td>Insurance structures</td>
<td>6.0</td>
<td>12.0</td>
<td>26.0</td>
<td>36.0</td>
<td>20.0</td>
<td>3.5</td>
<td>1.1</td>
</tr>
<tr>
<td>Insurance structures</td>
<td>4.0</td>
<td>22.0</td>
<td>6.0</td>
<td>36.0</td>
<td>32.0</td>
<td>3.7</td>
<td>1.2</td>
</tr>
<tr>
<td>Employees resistance</td>
<td>10.0</td>
<td>10.0</td>
<td>14.0</td>
<td>40.0</td>
<td>26.0</td>
<td>3.6</td>
<td>1.3</td>
</tr>
</tbody>
</table>

According to the study findings, respondents agreed that management control systems influence strategy implementation in the company as shown by a mean of 4.23; that management control
influence strategy implementation in the company as shown by a mean of 4.23; that performance measurement in your company influence strategy implementation as shown by a mean of 4.18; that the budgeting and resource allocation systems as shown by a mean of 4.04; that the planning process influence strategy implementation as shown by a mean of 4; that competency and qualification of the staff influence strategy implementation as shown by a mean of 3.95; that top management support influence strategy implementation as shown by a mean of 3.93; that top management support influence strategy implementation as shown by a mean of 3.93; that the reward systems as shown by a mean of 3.87; that management information systems as shown by a mean of 3.81; that Insurance structures influence strategy implementation as shown by a mean of 3.7; that employees resistance influence strategy implementation as shown by a mean of 3.6; that employees resistance influence strategy implementation as shown by a mean of 3.6; that Insurance structures as shown by a mean of 3.5.
Table 4.5: Extent that various management practices affect strategy implementation in the company

<table>
<thead>
<tr>
<th>Management Practice</th>
<th>Very great extent</th>
<th>Great extent</th>
<th>Moderate extent</th>
<th>Little extent</th>
<th>No extent</th>
<th>Mean</th>
<th>Stdev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating and sharing an organizational goal</td>
<td>29</td>
<td>29</td>
<td>19</td>
<td>6</td>
<td>16</td>
<td>4.5</td>
<td>0.4</td>
</tr>
<tr>
<td>Acting as a role model</td>
<td>16</td>
<td>45</td>
<td>10</td>
<td>19</td>
<td>10</td>
<td>4.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Encouraging creativeness</td>
<td>39</td>
<td>26</td>
<td>13</td>
<td>13</td>
<td>10</td>
<td>3.7</td>
<td>0.4</td>
</tr>
<tr>
<td>Providing support for employees</td>
<td>19</td>
<td>29</td>
<td>23</td>
<td>16</td>
<td>13</td>
<td>4.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Allowing employee participation in making job-related decisions</td>
<td>10</td>
<td>19</td>
<td>35</td>
<td>23</td>
<td>13</td>
<td>3.9</td>
<td>0.5</td>
</tr>
</tbody>
</table>

The study sought to establish the extent that various management practices affect strategy implementation in the company. According to the findings, respondents indicated that creating and sharing an organizational goal affects strategy implementation in the company to a very great extent as shown by a mean of 4.5; that management acting as a role model affects strategy implementation in the company to a great extent as shown by a mean of 4.4; that Providing support for employees affects strategy implementation in the company to a great extent as shown by a mean of 4.3; that allowing employee participation in making job-related decisions affects strategy implementation in the company to a great extent as shown by a mean of 3.9; and that management encouraging creativeness affects strategy implementation in the company to a great extent as shown by a mean of 3.7.
4.6 Communication Process in Strategy Implementation

Whether communication is a key success factor within strategy implementation at the company,

Figure 4. 10: Whether communication is a key success factor within strategy implementation at the company

On whether communication is a key success factor within strategy implementation at the company, 89% of the respondents indicated that communication is a key success factor within strategy implementation at the company, while the rest indicated it is not.
Extent that communication process affects strategy implementation at the company

55.6% of the respondents indicated that communication process affects strategy implementation at the company to a very great extent, 55.6% 22.2% of the respondents indicated that communication process affects strategy implementation at the company to a great extent, 5.6% of the respondents indicated that communication process affects strategy implementation at the company to a moderate, and little extent, respectively. 5.6% of them indicated that communication process does not at all affect strategy implementation at the company.

Figure 4. 11: Extent that communication process affects strategy implementation at the company
Table 4.6: Extent that respondents agreed with statements that relate to communication process in strategy implementation at the company

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Undecided</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Stdv</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communicating with employees is frequently delayed until changes have already crystallized</td>
<td>29</td>
<td>29</td>
<td>19</td>
<td>6</td>
<td>16</td>
<td>3.5</td>
<td>0.4</td>
</tr>
<tr>
<td>The company is faced with the challenge of lack of a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy</td>
<td>16</td>
<td>45</td>
<td>10</td>
<td>19</td>
<td>10</td>
<td>3.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Lack of communication causes more harm as employees are not informed about the new requirements, tasks and activities to be performed by the affected employees</td>
<td>39</td>
<td>26</td>
<td>13</td>
<td>13</td>
<td>10</td>
<td>3.7</td>
<td>0.4</td>
</tr>
<tr>
<td>It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion</td>
<td>19</td>
<td>29</td>
<td>23</td>
<td>16</td>
<td>13</td>
<td>3.3</td>
<td>0.3</td>
</tr>
<tr>
<td>An integrated communications plan must be developed at the company to enhance strategy implementation</td>
<td>10</td>
<td>19</td>
<td>35</td>
<td>23</td>
<td>13</td>
<td>2.9</td>
<td>0.5</td>
</tr>
</tbody>
</table>

According to the findings, respondents agreed that lack of communication causes more harm as the employees are not informed about the new requirements, tasks and activities to be performed by the affected employees as shown by a mean of 3.7; and that Communicating with employees is frequently delayed until changes have already crystallized as shown by a mean of 3.5. Respondents indicated neutrality on whether the company is faced with the challenge of lack of a two-way-communication program that permits and solicits questions from employees about...
issues regarding the formulated strategy as shown by a mean of 3.4; on whether it is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion as shown by a mean of 3.3; and on whether an integrated communications plan must be developed at the company to enhance strategy implementation as shown by a mean of 2.9.
CHAPTER FIVE
SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSION AND
RECOMMENDATIONS

5.1 Introduction
This chapter discusses the summary of the findings, conclusions reached and the recommendations as per the response from the respondents. The study set out to determine the challenge facing strategy implementation in Insurance industry.

5.2 Summary of key findings of the study

5.2.1 Top level management Support
The study found out that the level of commitment of employees affects the strategic implementation at the insurance companies to a very great extent; that service quality must be intertwined which required commitment to the concept from the whole organisation, that control of standards must be achieved by adopting techniques that will turn service into tangible measurements, that there should be consistency in product and delivery standards and that chosen quality levels must be kept under review. This implies that law firms followed the steps in ensuring quality service.

5.2.2 Ineffective Government Policies
The study found out that government policy on insurance has affected implementation of strategies in the company; that government support insurance in implementing strategies through provision of technology infrastructure; that the government has set up conducive business rules
for insurance companies; the government has provided incentives to insurance companies; and that higher taxes levied on insurance service affects strategy implementation in the company.

5.2.3 Availability of Finances

The study also found out that budget restriction affects strategy implementation in the company that for strategy to work there must be a clear assignment of responsibilities and that the involvement of middle managers valuable knowledge was crucial. In addition, it was agreed that the commitment of top management was important if a strategy was to succeed, that communication was vital when implementing a strategy, that when implementing strategy teamwork activities should be emphasized and that unexpected problems occurred during strategy implementation process. Moreover, that activities coordination was not rightly performed during strategy implementation process, that some competitive jobs diverted managers attention from strategy implementation process, that measures should be established in order to minimize resistance to the strategy being implemented, that managers in charge of strategy implementation could not be able to do leading and directing properly, that strategy implementation process was affected by uncontrollable external factors, that to make strategy work different individual characters should be respected and that implementation of strategy was done by staff who were not adequately trained. Finally, the study found out that it is important to have an integrative point of view when formulating a strategy, that there was no information system for sufficient control of activities, that strategy implementation activities and key tasks were poorly defined, that staff implementing strategy were not capable enough and that strategy implementation took more time than expected.
5.2.4 Systems adopted by company

It was further found out that responsibilities of managers affect strategy implementation at the insurance companies to a very great extent, that management control systems influence strategy implementation in the company; that management control influence strategy implementation in the company; that performance measurement in your company influence strategy implementation; that the budgeting and resource allocation systems; that the planning process influence strategy implementation; that competency and qualification of the staff influence strategy implementation; that top management support influence strategy implementation to a very great extent; that management acting as a role model affects strategy implementation in the company to a great extent; that providing support for employees affects strategy implementation in the company to a great extent; that allowing employee participation in making job-related decisions affects strategy implementation in the company to a great extent; and that management encouraging creativeness affects strategy implementation in the company to a great extent.

5.2.5 Communication Process in Strategy Implementation

This research study also established that communication is a key success factor within strategy implementation at the company; that communication process affects strategy implementation at the company to a great extent; that lack of communication causes more harm as the employees are not informed about the new requirements, tasks and activities to be performed by the affected employees; and that Communicating with employees is frequently delayed until changes have already crystallized; that the company is faced with the challenge of lack of a two-way-communication program that permits and solicits questions from employees about issues
regarding the formulated strategy; that it is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion; and that an integrated communications plan must be developed at the company to enhance strategy implementation.

5.3 Conclusions

The study concluded that the level of commitment of employees affects the strategic implementation at the insurance companies to a very great extent; that service quality must be intertwined which required commitment to the concept from the whole organisation, that control of standards must be achieved by adopting techniques that will turn service into tangible measurements, that there should be consistency in product and delivery standards and that chosen quality levels must be kept under review. This implies that law firms followed the steps in ensuring quality service.

The study concluded that government policy on insurance has affected implementation of strategies in the company; that government support insurance in implementing strategies through provision of technology infrastructure; that the government has set up conducive business rules for insurance companies; the government has provided incentives to insurance companies; and that higher taxes levied on insurance service affects strategy implementation in the company.

The study also concluded that budget restriction affects strategy implementation in the company that for strategy to work there must be a clear assignment of responsibilities and that the involvement of middle managers valuable knowledge was crucial. In addition, it was agreed that the commitment of top management was important if a strategy was to succeed, that
communication was vital when implementing a strategy, that when implementing strategy teamwork activities should be emphasized and that unexpected problems occurred during strategy implementation process. Moreover, the study found out that activities coordination was not rightly performed during strategy implementation process, that some competitive jobs diverted managers attention from strategy implementation process, that measures should be established in order to minimize resistance to the strategy being implemented, that managers in charge of strategy implementation could not be able to do leading and directing properly, that strategy implementation process was affected by uncontrollable external factors, that to make strategy work different individual characters should be respected and that implementation of strategy was done by staff who were not adequately trained. Finally, the study found out that it is important to have an integrative point of view when formulating a strategy, that there was no information system for sufficient control of activities, that strategy implementation activity and key tasks were poorly defined, that staff implementing strategy were not capable enough and that strategy implementation took more time than expected.

It was further concluded that responsibilities of managers affect strategy implementation at the insurance companies to a very great extent, that management control systems influence strategy implementation in the company; that management control influence strategy implementation in the company; that performance measurement in your company influence strategy implementation; that the budgeting and resource allocation systems; that the planning process influence strategy implementation; that competency and qualification of the staff influence strategy implementation; that top management support influence strategy implementation to a very great extent; that management acting as a role model affects strategy implementation in the
company to a great extent; that providing support for employees affects strategy implementation in the company to a great extent; that allowing employee participation in making job-related decisions affects strategy implementation in the company to a great extent; and that management encouraging creativeness affects strategy implementation in the company to a great extent.

This research study also concludes that communication is a key success factor within strategy implementation at the company; that communication process affects strategy implementation at the company to a great extent; that lack of communication causes more harm as the employees are not informed about the new requirements, tasks and activities to be performed by the affected employees; and that Communicating with employees is frequently delayed until changes have already crystallized; that the company is faced with the challenge of lack of a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy; that it is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion; and that an integrated communications plan must be developed at the company to enhance strategy implementation.

5.4 Recommendations

The study recommends employees to be committed in the process of strategy implementation in the insurance companies; that service quality must be intertwined which required commitment to the concept from the whole organisation, that control of standards must be achieved by adopting techniques that will turn service into tangible measurements, that there should be consistency in product and delivery standards and that chosen quality levels must be kept under review.
The government policy on insurance should be reviewed to positively influence the implementation of strategies in the insurance companies; government support should also be ensured through provision of technology infrastructure; the government should also set up conducive business rules for insurance companies; provide incentives to insurance companies; and reduce the taxes levied on insurance service.

The management should avoid budget restriction as it negatively affects strategy implementation in the company; there must be a clear assignment of responsibilities and that the involvement of middle managers valuable knowledge for strategy to work. In addition, the top management commitment should also be enhanced for strategy implementation to succeed, communication should be well effective throughout the process of implementing a strategy, and teamwork activities should also be emphasized. Moreover, the study encourages activities coordination; and indicates that it is important to have an integrative point of view when formulating a strategy and that staff implementing strategy are capable enough and that strategy implementation took more time than expected.

It further recommends that since responsibilities of managers affect strategy implementation at the insurance companies to a very great extent, management control systems should be put in place to positively influence strategy implementation in the company; performance measurement in the company should also be used to influence strategy implementation; the staff should be competent and qualified to positively influence strategy implementation; top management support is also necessary to enhance the implementation process.
This research study also recommends that strategy implementation process should be enhanced through formal communication of strategy to the employees which should include new requirements, tasks and activities to be performed by the affected employees; Communication with employees should be made before changes have already crystallized after strategy implementation; there should be a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy; both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion; an integrated communications plan should also be developed at the company to enhance strategy implementation.

5.5 Recommendations for further research

This study has assessed the challenge facing strategy implementation in Insurance industry. To this end therefore a further study should be carried out to assess challenges facing strategy implementation in other industry and especially the public sector.

Moreover, a further study should be done to investigate the other factors of strategy implementation in Insurance industry.
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APPENDICES

Appendix I: Questionnaire

SECTION A: DEMOGRAPHIC INFORMATION

1. Gender: Male [ ] Female [ ]

2. Your age bracket (Tick whichever appropriate)
   18 - 24 Years [ ]
   25 - 30 Years [ ]
   31 - 34 years [ ]
   35 - 40 years [ ]
   41 - 44 years [ ]
   45 - 50 years [ ]
   Over 51 years [ ]

3. For how long have you served in your company?
   i. Less than 2 years [ ]
   ii. 2 - 5 years [ ]
   iii. 6 - 10 years [ ]
   iv. 11 years and more [ ]

4. What is your highest level of education?
   i. Certificate [ ]
   ii. Diploma [ ]
   iii. Higher National Diploma [ ]
   iv. Bachelors [ ]
   v. Masters [ ]
   vi. PhD [ ]

SECTION B: MAIN ISSUES
Top level management Support

5. To what extent does the level of commitment of employees affect the strategic implementation at the insurance companies?

- [ ] Very great extent
- [ ] Great extent
- [ ] Moderate extent
- [ ] Little extent
- [ ] Not at all

6. What is your level of agreement with the following statements that relate to the effect of level of commitment of employees on the strategic implementation? Use a scale of 1-5 where 1= strongly agree and 5= strongly disagree.

<table>
<thead>
<tr>
<th>Effect of level of commitment of employees on the strategic implementation</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>The employee’s commitment to the strategic direction itself is the most important factor.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The employee’s must demonstrate their willingness to give energy and loyalty to the implementation process for it to succeed.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The managers must not spare any effort to persuade the employees of their ideas for strategy implementation to be effective.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of employee’s backing is the main inhibiting factor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of employee’s commitment affect support and guidance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Ineffective Government Policies

7..Do you think the government policies on insurance has affected implementation of strategies in your company?

- [ ] Yes
- [ ] No

Give reasons s for your answer.
8. To what extent do you agree with the following statement concerning government policy affecting strategy implementation in your insurance company? 1= strongly disagree, 2=Disagree, 3= Neutral, 4= Agree, 5= strongly agree

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>The government has set up conducive business rules for insurance companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The government has provided incentives to insurance companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>government support insurance in implementing strategies through provision of technology infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher taxes levied on insurance service affects strategy implementation in the company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Availability of Finances

9. Does budget restriction affect strategy implementation in your company?

Yes [ ]

No [ ]

Give reason for your answer .................................................................

10. To what extent do you agree with the following statement relating to effects of funds on strategy implementation in your company? 1= Strongly disagree, 2=Disagree, 3= Neutral, 4= Agree, 5= Strongly agree

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate access of credit hinders implementation of strategies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low finance accessibility limit insurance expenditure on strategy implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insufficient fund hinder acquisition of experience staff hindering effective implementation of strategies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of credits affects diversification of insurance operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inadequate finances hinders accessibility of competent personnel to</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
manage the business
Lack of fund hinder insurance from acquiring technology affecting strategy implementation
The cost of the information is very expensive to obtain due to lack of fund

11. To what extent does insufficient fund affects rewarding of insurance employees resulting to resistance to implementation of strategy in your company?

Very great extent [ ]
Great extent [ ]
Moderate extent [ ]
Little extent [ ]
Not at all [ ]

**Systems adopted by company**

12. To what extent do responsibilities of managers affect strategy implementation at the insurance company?

Very great extent [ ]
Great extent [ ]
Moderate extent [ ]
Little extent [ ]
Not at all [ ]

Give reason for your answer.................................................................

13. To what extent do you agree with the following statement relating to effects of Systems Adopted by Companies on strategy implementation in your company? 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree

<table>
<thead>
<tr>
<th>management control systems</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
</table>

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14. To what extent do the following management practices affect strategy implementation in your company?

<table>
<thead>
<tr>
<th>Management Practice</th>
<th>Very great extent</th>
<th>Great extent</th>
<th>Moderate extent</th>
<th>Little extent</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating and sharing an organizational goal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acting as a role model</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encouraging creativeness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing support for employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowing employee participation in making job-related decisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Communication Process in Strategy Implementation

15. Is communication a key success factor within strategy implementation at the company?
   - Yes [ ]
   - No [ ]

16. If yes, to what extent does communication process affect strategy implementation at the company?
   - Very great extent [ ]
   - Great extent [ ]
   - Moderate extent [ ]
   - Little extent [ ]
   - Not at all [ ]

Give reasons for your answer.........................................................

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17. To what extent do you agree with the following statements that relate to communication process in strategy implementation at the company? Use a scale of 1-5 where 1= strongly agree and 5 = strongly disagree.

<table>
<thead>
<tr>
<th>Communication in strategy implementation</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communicating with employees is frequently delayed until changes have already crystallized</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company is faced with the challenge of lack of a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of communication causes more harm as the employees are not informed about the new requirements, tasks and activities to be performed by the affected employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>An integrated communications plan must be developed at the company to enhance strategy implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## APPENDIX ii: TIME PLAN

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
<th>week</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Proposal writing and defense</td>
<td>1-4</td>
</tr>
<tr>
<td>2</td>
<td>Data collection</td>
<td>4-7</td>
</tr>
<tr>
<td>3</td>
<td>Data analysis</td>
<td>7-11</td>
</tr>
<tr>
<td>4</td>
<td>Result writing</td>
<td>11-12</td>
</tr>
<tr>
<td>5</td>
<td>Report writing</td>
<td>12-13</td>
</tr>
<tr>
<td>6</td>
<td>Compilation and presentation</td>
<td>13-15</td>
</tr>
</tbody>
</table>
### APPENDIX ii: THE BUDGET SCHEDULE

<table>
<thead>
<tr>
<th>ITEM</th>
<th>COST (Kshs)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proposal Development</strong></td>
<td></td>
</tr>
<tr>
<td>Printing of 38 pages @ Kshs. 30</td>
<td>1,140.00/-</td>
</tr>
<tr>
<td>Reproduction 6 copies @ Kshs. 800</td>
<td>1,080.00/-</td>
</tr>
<tr>
<td>Binding 6 copies @ Kshs. 50</td>
<td>300.00/-</td>
</tr>
<tr>
<td><strong>Traveling Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>5,000.00/-</td>
</tr>
<tr>
<td><strong>Data collection</strong></td>
<td></td>
</tr>
<tr>
<td>Books and reading material</td>
<td>20,000.00/-</td>
</tr>
<tr>
<td><strong>Data analysis and computer runtime</strong></td>
<td></td>
</tr>
<tr>
<td>Printing 70 pages @ Kshs. 30</td>
<td>2,100.00/-</td>
</tr>
<tr>
<td>Binding 5 copies @ Kshs. 1,000/-</td>
<td>3,000.00/-</td>
</tr>
<tr>
<td><strong>Others Miscellaneous expenses</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>81,000.00/-</strong></td>
</tr>
</tbody>
</table>
APPENDIX iii: REGISTERED INSURANCE COMPANIES IN MERU COUNTY

1. Africa Merchant Assurance Company Ltd
2. APA insurance Company Ltd
3. Pan Africa Life Insurance Company Ltd
4. British American Insurance Company Ltd
5. Co-operative Insurance Company Ltd
6. Direct Line Insurance company Ltd
7. Jubilee Insurance Company Ltd
8. Kenyan Alliance Insurance Company Ltd
10. Madison Insurance Company Ltd
11. Monarch Insurance Company Ltd
12. Old Mutual Life Assurance Company
13. Pacis Insurance Company Ltd
14. Pioneer Life Assurance Company
15. Real Insurance Company
16. Shield Assurance Company
17. UAP Insurance Company
18. UAP Life Insurance Company