CHALLENGES OF STRATEGY IMPLEMENTATION IN SELECTED SUGAR COMPANIES IN KENYA

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Challenges of Strategy Implementation in Selected Sugar Companies in Kenya

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DECLARATION

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

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DEDICATION

To my beloved wife Trizah and my children, Prince, Mike, Faith, Bon and the entire family of the late Mwalimu Erasmus Itwani Osia (DC). May this academic achievement be an inspiration to you to pursue similar journey in the nearby future as part of Osia Vision 2020.

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LIST OF ACRONYMS AND ABBREVIATIONS

AFFA	Agriculture and Food Authority Act
ASCU	Agriculture Sector Coordination Unit
CEO	Chief Executive Officer
COK	Constitution of Kenya
COMESA	Common Market for East and Central Africa
CSF	Critical Success Factors
DR	Debit Recurred
EU	European Union
GDP	Gross Domestic Product
HR	Human Resource
FSP	Formal Strategic Planning
JKUAT	Jomo Kenyatta University of Agriculture and Technology
KESREF	Kenya Sugar Research Foundation
KNBS	Kenya National Bureau of Statistics
KSB	Kenya Sugar Board
MOA	Ministry of Agriculture
PESTEL	Political Economic Social Technological Environmental and Legal
ROK	Republic of Kenya
R & D	Research and Development
SME	Small and Micro-Enterprises
SWOT	Strengths Weaknesses Opportunities and Threats
WB	World Bank

OPERATIONAL DEFINITION OF TERMS

Perception Perception is a cognitive process, which is interpretation of the situation by a person and it is not exact recording of it. People's individual differences and uniqueness are largely the result of the cognitive processes they use in processing the information they receive and conclusions they make, (Luthans, 2005). Perception is also a concept in psychology. The subject of organizational behavior applies the concept to explain various events and behavior that occur in formal organization. Management perception therefore implies the manner in which management interprets situations.

Performance: Performance in this study means the accomplishment of given tasks measured against known standards of accuracy, completeness, cost, and speed. In a contract, performance is deemed fulfillment of an obligation in a manner that releases the performer from all liabilities under the contract. According to Bouckaert & Hallingan (2008), performance is neither a unitary concept nor is it unambiguous. They say that performance comprises of relations between input, activity, output, effect and outcome and trust.

Span of control: The number of people that report to one supervisor or manager.

Strategy: J Ones and Hill (2009) defined strategy as a set of actions that managers take to increase their company's performance relative to rivals. Bailey (2007) defines strategy as a way of action that is necessary to achieve the main goal given scarcity of resources. The study will adopt the definition of Thomson, Strickland, & Gamble (2010) and Hill (2010) and other scholars, who looked at strategy as management's action plan for running a business and conducting operations.

Strategic change **:** Strategic change is defined as "changes in the content of a firm's strategy as defined by its scope, resource deployments, competitive advantages, and synergy" (Hofer & Schendel 1978). Others define it as a difference in the form, quality, or state over time in organization's alignment with its external environment (Rajagopalan & Spreitzer, 1997; Van de Ven & Pool, 1995).

Strategy implementation: This is the execution stage of strategic management and it includes the decisions with regard to matching strategy and resources, structure and motivational systems (Qi, 2010).

Strategic management: Strategic management is the art and science of formulating, implementing and evaluating cross-functional decisions that enable an organizations to achieve its objectives (David, 2007). Strategic management as used in this study is appropriate and

reasonable integration of strategy planning process, strategy formulation process, strategy implementation, evaluation and control across the organization in a manner to fulfill its vision, mission, its mandate, continuous learning and sustained creation of value (Bryson, Berry & Yang, 2010).

Variable: A variable has been defined as any entity that can take different values whether quantitative (Trochim, 2002). A variable takes specific values called attributes; example gender variable has two attributes; male and female. A variable analysis on Agreement for example may take four attributes i.e. strongly agrees, agrees, disagree and strongly disagrees in related research (Trochim, 2002).

ABSTRACT

The sugar industry in Kenya plays a key role in driving the economy of the country by contributing about 15% of the Country's Agricultural GDP. Overall agriculture contributes nearly 27% of the Nation's GDP. Despite crafting robust strategies, the performance of sugar companies in Kenya has been on a downward trend. Theoretical literature suggests that strategic planning and implementation generates positive outcomes for organizations. Additionally, empirical studies indicate that more strategies fail at the point of implementation not at the formulation phase. The failure rate is more than 70% and in some cases at more than 90%. In the developing countries little attention has been given to study the management perception on challenges of strategy implementation and almost none existent empirical study in the sugar sector. Therefore this study sought to determine the management perception on challenges of strategy implementation in the selected sugar companies in Kenya. It sought to determine the effect of external environment, organizational structure, organization culture, managerial skills and quality of workforce development on strategy implementation. The unit of analysis was the selected sugar companies while the unit of observation was the top, middle and lower level management of three sugar companies.

The study used descriptive and correlation design. The target population was 180 senior management from selected sugar companies (Mumias, Nzoia and South Nyanza) in Western Kenya registered with the Kenya Sugar Directorate (formerly Kenya Sugar Board). The sample size of 122 was selected through stratified random and simple sampling methods. A pilot study of 10% of the sample was done to improve on validity and reliability. To collect the primary data, questionnaires were distributed to top, middle and lower management employees as guided by the sampling technique. The research hypotheses adopted two approaches; one was testing the significance of the relationship and two, the goodness of fit of the relationship, i.e correlation and regression analysis

respectively. The hypotheses were tested within the 95% level of confidence interval or 5% level of significance. Strategy implementation was regressed against five predictor (independent) variables that capture key elements while controlling for other factors of interest.

From the study, external environmental has a linear and significant relationship with strategy implementation in sugar companies in Kenya. Kenya is a net importer of sugar from the COMESA countries since the demand outstrips the local production. The study revealed that political interferences, "corporatocracy", Sugar imports, rivalry within the market, climate change and entry of other sugar companies, the Constitution of Kenya, 2010, which devolved most Agricultural functions to the Counties and the study recommends that sugar companies should work closely with respective counties to support farmers, improve infrastructure especially roads and more R & D. The privatization Commission needs to work hand in hand with respective County Governments based on location of sugar mills.

In terms of organization culture, the Analysis of Variance (ANOVA) indicated that the model was statistically significant in explaining the impact of culture on strategy implementation in selected sugar companies in Kenya and concluded that organization culture has a linear and significant relationship with strategy implementation in selected sugar companies in Kenya.

Similarly, the findings indicated a statistical significant association between managerial skills, quality of workforce development and strategy implementation in sugar companies in Kenya.

CHAPTER ONE
INTRODUCTION

1.1 Background of the study

Strategy management has generally had positive effects on the organizations performance in the 2000s (Hitt, Hoskisson & Ireland, 2011; Bambang, Arvand, & Ahmad, 2014). Strategy implementation is not only the biggest issue facing business today; it is something that nobody has explained satisfactorily. Other disciplines have no shortage of accumulated knowledge and literature, (Bossidy, Charan, & Burck, 2011). Strategy implementation has scarce literature and this makes it a topic of interest to scholars, especially in developing countries.

According to Raps (2004), the fatal problem with strategy implementation is the success rate of intended strategies and despite this, strategy implementation is not a popular topic for research. To managers, it's a puzzle in many companies and its success rate is merely 10- 30 percent, (Judson, 1991; Grundy, 1998; Raps, 2004). Pwc (2016) pointed out that few companies are able to successfully and sustainably close the gap between their strategy and their execution gap. The few coherent companies are those with the ability to align their value proposition with their distinct capabilities and their portfolio of products and services, thus bridging the strategy-execution gap.

The agriculture sector and in particular, agro-based industries has not been spared by these positive outcomes on application of strategic management. Strategy implementation is the second stage of the strategic management process and although it the most important stage with a myriad challenges, it's an area of study that more often than not, it's given less attention as compared to strategy formulation, (Tan, 2004). This study investigated the management perception on challenges of strategy implementation encountered by selected sugar companies in Kenya.

Agriculture is critical to the achievement of Vision 2030 (ROK, 2014) and it's the mainstay of the Kenyan economy directly contributing 25 per cent of the GDP annually, and another 25 per cent indirectly (MOALFI, 2010). The sector accounts for 65 per cent of Kenya's total exports and provides more than 70 per cent of informal employment in the rural areas (ROK, 2014). Aside from tea, coffee and flowers, sugarcane, is the most critical crop that feeds the Kenyan economy (Awino, Imaita, & K'Obonyo, 2009). However, the sugar companies have had numerous challenges of under-performance, (MOALFI, 2015). Sugar companies as well as the defunct Kenya Sugar Board, which is now referred to as the Sugar Directorate under AFFA, make robust strategies and plans. However, the biggest question is why have the good turn around strategies not been translated to improvement in overall performance of the sugar companies? Sugar companies continue to receive cash bail-out from the National Treasury. For example in June 2015 Mumias Sugar Company received Kshs 1 billion shillings cash bail out against an expected cash bailout of Kshs 6billion, and nearly Kshs 60 billion accumulated debts (ROK, 2014).

Other sugar companies such as Muhoroni and Miwani have failed to come out of receivership for over 20 years. Persistent failure to pay sugarcane farmers on delivery of cane has caused arrears that have pushed sugar factories to near collapse due to huge debts. The Kenya National Federation of Sugarcane Farmers (KNFSF) is more often than not worried that losses and increased indebtedness are a recipe to drive sugar companies into receivership. Farmers have often been given financial statements that indicate "debit recurred" (DR), (ROK, 2014).

In today's world of uncertainty, strategic management and more specifically strategy implementation, makes much sense to firms (Speculand, 2014; Amrule, 2013; Lester, Parnell, Crandall, & Menefee 2008; Mauborgne & Kim, 2015). Organizational competitive advantage rests on the ability of organizations to scan proactively and executive strategies (Qiu, 2008; Anderson, 2015) while ensurring that the strategy development and strategy execution remains a "fair process" (Mauborgne & Kim, 2015).

Strategic decisions are crucial to ensure heterogeneity of organizational behavior and creation of value as well creation of new value, (Kaplan, Norton & Barrows, 2011).

To win in the future, must stop competing with each other and the only way to beat competition is to stop *trying* to beat competition, (Mauborgne & Kim, 2015). A critical question in research on strategic management has been to answer the questions of "why do some organizations establish successfully and some fail?" and "what are the processes that allow organizations to establish successfully in business?"(Collis & Rukstad 2008) whereas some, CEOs cry "help! My ocean is turning red" (Mauborgne & Kim, 2015). Going by this scholarly articulation, there is therefore inadequate research on the influence of strategic management processes on the performance of the sugar millers in Kenya.

There is no doubt strategic thinking is increasingly vital and developing strategy does not get any easier (Anderson, 2015). The cardinal rule in the business world is that enterprises are created to achieve the long-term and short-term objectives of their stakeholders. To achieve the goals and objectives, most enterprises use their strategic planning in order to select the right strategies and manage the internal environment. The planning also allows them to identify their competitive advantage and decide how to adapt to the changes in economic conditions and government policies (Bartol et al, 2001; Grant, 2003; Fahy and Hooley, 2002; Johnsons and Scholes, 2002; Aiyabei, 2013).

Other studies have identified that strategic management as the process of setting and accomplishing goals through the use of human, R&D, technical, and financial resources within the context of the environment (Drury, 2005; Speculand, 2014).

In any industry, strategic management processes namely; environmental scanning, strategy formulation, strategy implementation, control and evaluation, are key in enabling manufacturing firms adapt to changing environments as well as sustaining their performance, (Pearce & Robinson, 2011). Strategic management therefore emphasizes long-term performance of a firm, (Wheelen & Hunger, 2006) and improves its chances

of success, (Schwenk & Shrader, 1995; Qi, 2010; Pearce & Robinson, 2011). Of all these, strategy implementation is the most important.

1.1.1 Strategy Implementation

Strategy implementation is quite often difficult than formulation of strategy and its failure is attributed to management (Hrebniak, 2005). The successful implementation of strong and robust strategies will give any organization a significant competitive edge (Giles, 2010; Maas, 2008; Speculand, 2014), especially in industries where unique strategies are difficult to achieve (Noble, 2009). Strategy implementation is even more important in turbulent times such as the sugar industry in Kenya, which has experienced many turbulent times as they compete with cheap sugar from the COMESA countries in addition to delayed payment of suppliers, farmers, under capacity utilization and frequent uncoordinated closures of sugar companies. The sugar industry environment in Kenya, in which the millers operate in, whether public or private, is increasingly dynamic and even turbulent (Volberda, 2006; D'Aveni, 2009; ROK, 2014).

The attainment of an appropriate match, or "fit", between an organizations environment and its strategy, structure, culture and processes has positive effects on the organization's performance (Wheelen & Hunger, 2006). Increasing stock of unsold sugar in the industry has a negative impact on the sugar industry which the Kenyan sugar industry has experienced in the recent past. Globally, the Kenyan sugar industry is the one of the most lucrative investment, only second to the European Union, (World Bank, 2013).

Effective strategy implementation has positive effects that include improved performance, improved management efficiency and effectiveness and innovation, (D'Aveni, 2009; Letangule, 2013). Moreover, structural failures in modern corporations and abuses of corporate power have triggered a collapse in public confidence (Garegnani, Merlotti, & Russo, 2015). According to Hrebniak (2005), most managers know so much about strategy formulation than they do about strategy implementation,

yet implementation should be given more emphasis. Zagotta and Robinson (2002) postulates that most do not have the tools to execute strategy successfully.

According to Sorooshian, Norzima, Yusof and Rosnah (2010), failure of strategy implementation efforts causes enormous costs to the organization that includes wastage of resources, considerable amount of time, leads to lower productivity, lower employee morale, diminished trust and faith in senior management, inefficient use of resources and decline in performance. Jooste and Fourie (2009) indicate that the high failure rate of strategic change initiatives can be attributable to poor implementation of new strategies, and the lack of strategic leadership has been idenfified as one of the major barriers to effective strategy implementation. Most have the know how to create strategy, and this is evident in the sugar sector where individual companies have often developed strategic plans aimed at making them competitive and profitable.

As earlier highlighted, Tan (2004), indicates that strategy implementation is an important stage in strategic management process, yet not much study, particularly in developing countries, has been given to it as compared to strategy formulation. This study concentrates on challenges of strategy implementation in the sugar companies in Kenya.

1.1.2 Global and local Strategy implementation

Strategic management has become a significant topic in organization science, (Maas, 2008). Therefore both practical experience and academic research indicate that strategy planning and implementation has substantial impact on organizational performance (Hrebiniak, 2005), is crucial to organizational effectiveness and critical to the functioning of an organization and is an essential factor in the formula for success of any business or organization (Johnson & Scholes 2004; O'Regan & Ghobadian, 2002).

A review of various local and global literature suggest that, while all factors are held constant, strategic planning and implementation is generally practiced by manufacturing

firms that perform better (Lurie, 1987; Schwenk & Shrader, 1995; Berman, Gordon & Sussman, 1997; Carland & Carland, 2003; Gibson & Cassar, 2005; Porter *et al*, 2004; Amrule, 2013; Okwach, 2014; Mauborgne & Kim, 2015).

Some studies suggest that as high as 90% of developed strategies are not implemented, yet strategy implementation is the most important stage and it's also the most complicated and time- consuming part of strategic management (Thompson & Strickland, 2003; O'Regan and Ghobadian, 2007). Strategy implementation is critical for organizations to achieve the desired goals and realize the envisioned future. As Schaap (2006) states, the strategy-implementing or strategy-executing task is easily the most complicated and time-consuming part of strategic planning, frequently requiring a focus on creating strategic change (Yang Li *et al* 2008; Harrington 2006; Ansoff et al., 2004). Most studies on strategic management have been carried out on strategy formulation but less attention has been given to strategy implementation (Raps, 2004; Amrule, 2013; Okwach, 2014). Where available, most studies have focused on strategy implementation in the Western Developed Countries and less in the developing and least developing countries such as Kenya.

Evidence from the strategy implementation literature suggests two overall reasons why a plan or strategy can fail: the strategy itself is inadequate or it is not properly implemented (Ashkenas & Francis, 2000; Beer & Nohria, 2000; Jonk & Ungerath, 2006; Raps, 2004; Atkinson, 2006; Speculand, 2014).

Adoption of strategic management will give any organization a significant competitive edge (Maas, 2008), especially in industries where unique strategies are difficult to achieve (Porter, Lorsch & Nohria, 2004). Strategy implementation is even more important in turbulent times. The environment in which public and private organizations operate is increasingly dynamic or even turbulent (Hitt, Ireland & Hoskisson, 2005). Research suggests that while formulation of strategy is important but very important is the implementation of the crafted strategy. Crafting of organization strategy to achieve sustainable competitive advantage is a key aspect of leadership in today's fast changing

world. Most importantly, successful implementation of the crafted strategy is what really takes the organization to the next level. It's what brings optimization and sustainability of the organization's competitive advantage in realizing outcomes and ultimately impact. Ideas are good but implementation is the greatest test of ideas.

According to Fenton (1996), he observed that quality management and greater organizational autonomy leads to more effective and efficient strategy implementation, alignment of responsibility and greater concern for people. Bossidy, Charam and Burck (2011) point out three core processes of execution: the PEOPLE, STRATEGY AND OPERATIONS processes.

Other scholars, Schmelzer and Olsen (1994), Okumus (2001), Ashmos, Duchon, McDaniel and Huoneker (2002) and Harrington (2006), argue that involvement by managers and other organizational processes can affect a variety of firm outcomes. That although formulating strategy is a difficult task for any management, making that strategy work; executing it throughout the organizations is even more difficult and challenging (Hrebiniak, 2005).

In comparison to developed countries, Aldehayyat, (2011) suggests that little is known about strategy implementation challenges in the developing countries. Bossidy, Charan and Burck (2011) assert that other disciplines have no shortage of accumulated knowledge and literature unlike strategy execution. Amrule (2013) in a study of the role of strategic planning on the performance of small and micro-enterprises in Kenya asserts the need for in-depth studies in this area. Chiuri (2015) makes similar observations about the need to carry further research on challenges of strategy implementation in different sectors in developing countries. This study will contribute to fill this knowledge gap.

1.1.3 Kenyan Sugar Industry

The development of the sugar industry in Kenya started with private investments at Miwani in 1922, followed by Ramisi Sugar company in 1927 and after independence six additional companies were established i.e. Muhoroni (1966), Chemelil (1968), Mumias

(1973), Nzoia (1978), South Nyanza (1979), West Kenya (1981) and Soin (2006). These parastatals were formed in order to accelerate socio-economic development, address regional economic imbalances, increase Kenyan citizen's participation in the economy, promote indigenous entrepreneurship and promote investment through joint ventures (Kenya Sugar Board, 2014).

The Kenyan sugarcane industry is a major employer and contributor to the national economy. Sugarcane is one of the most important crops in the economy alongside tea, coffee, horticulture and maize (R.O.K, 2014). By far, the largest contribution of the sugarcane industry is its silent contribution to the fabric of communities and rural economies in the sugar belts (Awino, Wamalwa, Imaita & K'Obonyo, 2011). Farm households and rural businesses depend on the injection of cash derived from the industry. The survival of small towns and market places is also dependent on the incomes from the same. The industry is intricately weaved into the rural economies of most areas in western Kenya.

Besides the socio-economic contributions, the industry also provides raw materials for other industries such as bagasse for power co-generation and molasses for a wide range of industrial products including ethanol. Molasses is also a key ingredient in the manufacturing of various industrial products such as beverages, confectionery and pharmaceuticals.

Kenya has an annual sugar deficit of around 200,000 tonnes as indicated in table 1.1 in the annex, which is usually filled by imports from the other producers in the region (KSB, 2014). The country is struggling to improve output due to relatively high production costs and loss making sugar factories (MOALFI, 2015).

Kenya Sugar Board said Kenya produced 591,658 tonnes of sugar in 2014, 1.4 per cent drop from a record harvest of 600,179 tonnes in 2013.

The sugar industry also experiences unregulated and uncoordinated closure of factories by the millers. An example is when in 2014 Mumias sugar factory in Western Kenya was closed for a period to allow its cane to mature and for maintenance, (MOALFI, 2015). There was also an unscheduled closure of Kibos Sugar factory after its boiler broke down, as well as scheduled shutdown of West Kenya sugar Company for maintenance, (MOALFI, 2015).

As earlier highlighted, Sugar companies such as Muhoroni sugar company and Miwani sugar factory have failed to come out of receivership for over 20 years. Persistent failure to pay sugarcane farmers on delivery of cane has caused arrears that have pushed sugar factories to near collapse due to huge debts. The Kenya National Federation of Sugarcane Farmers (KNFSF) is more often than not worried that losses and increased indebtedness are a recipe to drive sugar companies into receivership.

In Kenya, all the sugar companies have developed robust strategic plans but the major question that remains unanswered is their implementation, what challenges do they face in their execution?

1.2 Statement of the problem

Baroto, Arvand and Ahmad, (2014) and Johnson (2004) who asserts that strategy may not succeed in 75% of the cases and according to Kaplan and Norton (2006) consequences show that 70% to 90% of organizations fail to realize the success of implementing their strategies. Additionally, 66% of corporate strategies are never implemented, 95% of staff do not realize their organization's strategy, and often strategies fail due to ineffective execution. Mankins and Steele (2005) assert that only 63% of financial objectives envisioned by companies are achieved.

Despite good strategic planning, in the last five years, the performance of the sugar companies in Kenya remains under crisis and is not showing signs of improvement. Just to highlight, capacity underutilization, largely unpaid suppliers, contractors, farmers,

increasing debts, and frequent negative publicity in the media. And most critically the annual production from the eleven sugar millers has not met domestic consumptions nor matched annual forecasted estimates, (MOALFI, 2015). According to a study by Fortune magazine (2009), 90% of the strategies are unsuccessful while Kaplan, Norton & Barrows (2011) identified that more than 90% of the strategic initiatives fail not due to formulation but implementation challenges. Similarly Raps (2004) indicates that the rate of successful implemented strategies is between 10-30% implying that the rate of failure is between 70% and 90%. The weak application of strategies is the single most important cause of unsuccessful strategy implementation (Waterman, Peters & Phillips, 2008).

Organizations incur enormous costs which are attributed to failure of strategy implementation and therefore lack of preparedness to organizational goals. Effective strategy implementation has been used successfully by non-performing organizations to prepare for the challenges of the future and improve on their long-term performace (Zafar, Babar, & Abbas, 2013; Garegnani, Merlotti, & Russo, 2015).

According to the Kenya Sugar Industry strategic plan 2010-2014, all sugar industries need to be privatized in order to compete effectively. Despite developing strategic plans, public sugar companies in Kenya rely on Government cash bail out to make them survive. For example Mumias Sugar Company received over Kshs 1 billion in June, 2015 from the National Treasury against an unexpected over Kshs 6billion (RoK, 2014). The industry produces 68% of Kenya's domestic sugar requirement, making the country a net importer of sugar (Omolo, 2012). The decline in sugarcane production and sugar output can be attributed to the existing major problems in the industry; the rising level of inefficiency in sugar production, milling and transportation. Due to factors attributed to performance, the Kenya sugar industry has not met COMESA sugar safeguards for the last 12 years, since 2001, (R.O.K, 2014). This has resulted in the Government of Kenya request for extension of the COMESA safeguards year in year out. Kenya's sugar production has recorded under production from the various sugar millers, against what is

expected from the forecasted annual production, (MOALFI, 2015). According to Delmar and Shane (2003), strategic implementation increases the chances of survival of a business, improves product development process and the organization of a newly created company. The impending expiry of preferential trade tariff prices from the COMESA region in 2016 will complicate matters to the local sugar companies as there sugar will compete with cheap imported sugar.

Sugar companies are facing strategic issues such as capacity underutilization, lack of regular factory maintenance, poor transport infrastructure, delayed farmer payment and weak corporate governance, sustained under production that leads to sugar imports to meet the ever-increasing domestic demand. Unlike war, however, history shows us that the market universe has never been constant; rather, blue oceans have continuously been created over time, (Mauborgne & Kim , 2015).

Although, there has been increased interest in understanding the problems facing the sugar sector in Kenya, there is an apparent limited literature on the challenges of strategy implementation. Theoretical studies on strategy implementation and empirical studies on successful strategy implementation have mostly been carried out in developing world (Okumus, 2001) and in other sectors. According to Aldehayyat and Twaissi (2011), there is inadequate literature addressing the linkage between strategy implementation and the performance of firms, small and micro-enterprises in Africa. The literature that is existing has provided general conclusions on management related factors, (Njanja & Pellesier, 2010; Beaver & Prince, 2001; Amrule, 2013). In addition, most of the literature that exists has focussed on financial performance measures (Kargar & Blumenthal, 1994). However, according Qi (2010), it is not enough to analyse a firm's performance using financial outputs alone because the environment in which firms operate in is quite dynamic and ever changing. Firm performance can be influenced by other strategy implementation.

It's therefore of great interest to scholars, policy makers, managers and other stakeholders to know from empirical research the challenges of strategy implementation

faced by the sugar companies in Kenya, given its noble role in national development and achievement of Vision 2030. With respect to Kenya, none of the previous studies have examined the challenges of strategy implementation by sugar companies and this study aimed at filling this gap in existing literature.

1.3 Research objectives

1.3.1 General objective

The main objective of this study was to determine the challenges of strategy implementation in the selected sugar companies in Kenya.

1.3.2 Specific objectives

The study sought to specifically:

i. To determine the effect of external environment on Strategy implementation in selected sugar companies in Kenya

ii. Determine the effect of Organizational structure on Strategy implementation in selected Sugar companies in Kenya.

iii. Establish the effect influence of organizational culture on Strategy Implementation in selected Sugar companies in Kenya.

iv. Determine the effect of managerial skills on Strategy Implementation in selected Sugar companies in Kenya.

v. Establish the effect of quality of workforce development on Strategy implementation in selected sugar companies in Kenya.

1.4. Research Hypotheses

This study tested the following statistical hypotheses;

H_{01}: External environment does not influence strategy implementation in selected sugar companies in Kenya.

H_{02}: Organizational Structure does not influence strategy implementation in selected sugar companies in Kenya.

H_{03}: Organizational culture does not influence Strategy implementation in selected sugar companies in Kenya

H_{04}: Managerial skills do not influence strategy implementation in selected sugar companies in Kenya.

H_{05}: The quality of employee development does not influence strategy implementation in selected sugar companies in Kenya.

1.5 Justification of the study

This study has various beneficiaries. The sugar industry in Kenya plays a significant role in driving the economy of the country, contributing about 15 percent to the country's agricultural GDP (FAO, 2013).

Strategy implementation by selected sugar companies and other industries is fundamental for the success of Kenya's Vision 2030. Since such a high percentage of business strategies fail, the rationale of this study is to understand the management perception on challenges of strategy implementation in selected sugar companies in Kenya.

This study primarily benefits the selected sugar companies in Kenya and additionally the Government and leaders of the organizations that run the sugar industry in terms of developing and operationalizing strategic management processes that will lead to its competiveness. This study will be of interest to academicians who carry out research in the public and private manufacturing sector because it will contribute to the knowledge gap that is currently evident. Farmers who are the main players in the sugar industry and

have suffered losses will equally benefit from the information gained because of the trust and confidence they will gain from the local sugar industry leadership.

The Government of Kenya through the Ministry of Agriculture has the overall responsibility for the industry's development. The government has a role of supporting the industry through regulation, enhancement of competition and fair play, and provision of an enabling environment for all stakeholders. Currently, the GoK is the largest shareholder in the industry and will be interested in the findings of the study in addition to the sugarcane farmers (who supply 92% of the cane milled) and other stakeholders.

Studies carried out in Kenya, recognize that enterprises such as SMEs utilize strategic management processes particularly strategic planning, (Njanja & Pelissier, 2010; Amrule, 2013; Okwach, 2014). However, there is little knowledge in the area of strategy implementation and serious empirical research about challenges of strategy implementation in Kenya has been almost neglected, the study intends to contribute to the development of this field by providing deeper understanding into challenges of strategy implementation. This is confirmed by Bossidy, Charam and Huling (2012), and Amrule (2013) who identified that little research has been carried out in developing countries in the area of strategy implementation and further investigations needs to be carried out especially in developing countries like Kenya where the knowledge gap is glaring. Therefore this study was undertaken to fill this knowledge gap by increasing knowledge on the value of challenges of strategy implementation in the sugar companies in Kenya.

1.6 Scope of the study

This study focused on selected sugar companies in the Western region of Kenya, which has 60% of the sugar factories in Kenya and a region whose primary cash crop is sugarcane. These companies are registered by the Agriculture Food and Fisheries Authority under the ministry of Agriculture, Livestock and Fisheries of Kenya as at 30th June 2013. The region hosts the largest sugar miller in East and Central Africa, namely

Mumias Sugar Company. The unit of analysis for the study was selected sugar companies while the unit of observation was top, middle and lower management levels of the selected sugar companies. Although there are many factors affecting strategy implementation, this study was limited to the independent variables of external environment, organizational culture, organizational structure, managerial skills and quality of workforce development.

The study utilized primary data collected using questionnaires and interview guide between February and March 2016.

1.7 Limitations of the study

This study covered selected sugar companies in Kenya as a sample to generate conclusions and inferences on the challenges of strategy implementation of sugar companies in Kenya. That constituted a limitation since the optimal results could only be obtained using a census of the whole population. To overcome the limitation, a representative sample was used. There could be other challenges facing selected sugar companies in Kenya. In particular the study was limited to strategy implementation challenges that include: external environmental, structure, culture, managerial skills, and the effect of quality of workforce development.

The topic of strategy implementation has been given more attention in the developed world unlike in Kenya, which is a developing country. There may be a limitation on the available literature on strategy implementation challenges and the sugar companies, from which lessons can be drawn from. To overcome the limitation, studies in other sectors were used to draw lessons to support empirical data, both globally and locally.

There were limitations from respondents due to the complexity of knowing the sugar sector in Kenya. Issues of mistrust arose from a few respondents but the researcher managed all of them by thoroughly explaining the purpose of the research, and assuring respondents of confidentiality.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews relevant theoretical frame that inform challenges of strategy implementation and relevant empirical literatures. This chapter is organized as follows; it covers the theoretical literature and the empirical review on the strategic managements processes, and it also examines the relationship between dependent variable and independent variables which are developed into a conceptual framework. The last section covers the knowledge gap.

Any academic research should consist of systematic review of past literature, (Webstar & Watson, 2002). Borg and Gall (2008) indicate that the literature review is important in delimiting the research problem, seeking new lines of inquiry, avoiding fruitless approaches, gaining methodical insights, identifying recommendations for further research and seeking support for grounded theory. According to Hart (2010), literature review is an objective, thorough summaries and critical analysis of available relevant research and non-research information on the field being studied. At the same time, writing a literature review provides a framework for relating new findings to previous findings, Randolph (2009).

This study is anchored on the following theories; i) The McKinsey's 7S model, ii) Kurt Lewins Change Model, iii) The Open systems theory which is linked with the external environmental. iv) Noble's (1999) Strategy implementation framework, v) Resource based theory, vi) The Procedural justice theory vii) The Human Resource development theory, viii) Open

With the exception of the McKinsey's framework, the general observation of frameworks for strategy implementation is that the strategy itself or its formulation is often not included in the framework. Majority of the literature confirms this position.

The dominant view in strategy implementation remains that strategy formulation is viewed as a separate stage after strategy implementation.

However, more recent, it is acknowledged more and more that strategy formulation and implementation are intertwined processes (Mintzberg, James & Quinn, 1988; Pettigrew & Whipp, 1991; Noble, 1999; Miller, 1979).

2.2 Theoretical framework

This section discusses theories with the aim of building an understanding of strategic planning and strategy implementation. Cooper and Schindler (2011), defines a theory as a set of interrelated concepts, definitions, prepositions that have been put forth to explain or predict a scenario. The main essence of theory is to provide an explanation to both an observed phenomena and a tentative reality, (Kerlinger & Lee, 2000).

According to Helmstine (2012), theory is a scheme of relations subsisting between the parts of a systematic whole with summary of hypothesis or group of hypotheses that has been supported with repeated testing and is valid as long as there is no evidence to dispute it. Going by this argument, literature review is a concrete examination of the amount of theory that has accumulated in regard to an issue, concept, or phenomena and is necessary in order to help establish what theories already exist, the relationships between them, to what degree the existing theories have been investigated, and to develop new hypotheses to be tested (Kennedy, 2007).

Strategic management is the need of organizations and it's also a debate that it continuous (Zafar, Babar, & Abbas, 2013). This study is anchored on five theories; namely: i) The systems theory which is linked with the environmental scanning and strategic planning. ii) The agency theory which is linked with corporate governance, iii). The resource-based view theory which is linked to strategy implementation and explains the ability of the firm to deliver sustainable competitive advantage so long as competitors cannot imitate.

2.2.1 Bourgeois and Brodwins Five Models of strategy implementation

Bourgeois and Brodwin (1984) categorize strategy implementation into five models, namely; commander model, change model, collaborative model, cultural model, and crescive models. In the commander model, the general manager carries out exhaustive period of strategic analysis, makes strategic decisions and presents it to top managers and instructs them to implement and the commander waits for the results. The model divides the organization into thinkers and doers. The general manager, commander has a great deal of power and access to complete information and is insulated from personal biases and political interferences.

While in the change model, after making strategic decisions, the general manager plans a new organizational structure, makes personnel changes, new planning, information measurement and compensations systems and cultural adaptation techniques to support the implementation of the strategy.

The collaborative model involves the management team in the strategic decision-making process, where the general manager employs group dynamics and brainstorming techniques to get managers with different opinions to provide their inputs to strategy making and implementation. The cultural model, the key questions is, "how can I get my whole organization committed to our goals and strategies?'. It takes the participative elements to the lower levels of the organization as an answer to this question. The general manager guides the organization by communicating his or her vision and letting design their work in alignment with the vision.

Finally, in the crescive model the strategy comes upward from the bottom of the organization, as opposed to top-down. The general manager's role is to define the organisation's broad purposes to encourage innovation and select judiciously from among those projects or strategy options that come to his/her attention.

This model provides a good foundation on looking at the challenges of strategy implementation in the Sugar Companies in Kenya in view of people's involvement or

just carried out by a Commander(s) at the top. One key observation from strategy implementation frameworks is that the strategy itself is not part of the framework. However, McKinsey's 7S framework has included the strategy itself and is an exception. This will be discussed later in the next section of this chapter. The dominant view in strategic management process, is that strategy implementation is a separate stage that comes after strategy formulation. However, according to Mintzberg (1988), Pettigrew and Whipp (1991), Miller (1979) and Noble (1999), it is increasingly acknowledged that both strategy formulation and implementation stages are interlinked.

2.2.2 Noble's (1999) Strategy implementation framework

Noble (1999) implementation framework looked at strategy implementation in various fields and defines strategy implementation as communication, interpretation, adoption and enactment of strategic plans. It makes a clear distinction between structural and interpersonal process views on strategy implementation where process perspectives is concerned about understanding issues like strategic consensus, autonomous strategic behaviors, diffusion perspectives, leadership and implementation styles while structural are about formal organizational structure and control mechanisms.

Five levers of strategy implementation were identified by Noble, namely; goals, organizational structure, leadership, communication and incentives, (Noble, 1999). Strategy implementation requires setting of clear objectives; changes in the organization structure are needed during strategy implementation while leadership plays a key role in determining strategy performance such as having strategy champions. Communication is important because the details of implementation effort need to be communicated as early and as clearly as possible, while incentives are important to inspire and motivate members to change in accordance with the new strategy. These five levers are summarized in table 2.1.

Although Noble's (1999) implementation frameworks are critical to strategy implementation efforts, its more top down in approach as opposed to involving all

employees and also to ensure that they are committed to the new strategy. These new subjects are becoming important for successful strategy implementation and which also borders on “fair process” and “procedural justice theory” discussed in this chapter. According to Shrivastava (1986), the normative frameworks are largely based on simple survey data and therefore the models are factually are underdetermined due to limited empirical evidence that they are based on and the narrow context of the medium to large business firms in North America where the evidence was gathered.

Table 2.1: Noble's (1999) Strategy implementation framework

Levers	Stages			
	Pre-implementation	Organizing the implementation efforts	Managing the implementation process	Maximizing cross functional performance
Goals	Ensue that all managers are aware of the strategic goals of the firm	Introduce of the strategy being implemented, including the fit within firms broader strategic vision	Maintain the flexibility to adapt goals based on environmental changes	Develop focus on common goals to encourage cross functional cohesiveness
Organization structure	Ensure that functional areas have the slack resources to needed to contribute to an implementation efforts	Establish a formal implementation unit and ensure that its visibility throughput the firm	Ensure equal representation by all affected functional areas	Temporarily suspend key implementation team member's normal responsibilities to allow them to focus on the implementation efforts
Leadership	Develop employees knowledge and appreciation of multiple functional areas	Establish a champion who has both official cross functional authority and general respect in the team	Ensure that leaders show equal attention to all functional-level concerns	Balance visible and charismatic leadership with a maintenance of autonomy for functional level implementation efforts
Communication	Ensure that you maintain regular cross functional communication to foster understanding and appreciation	Discuss and resolve implementation details early in the process	Update implementation team frequently on progress and changes in objectives	Commununicate implementation progress across the entire organization to foster buy-in
Incentives	Reward development of cross functional skills	Develop time and performance based incentives for implementation tea while lessening traditional functional incentives	Adjust incentives as strategy and environmental conditions change during implementation efforts	Establish visible and cosnsistent cross functional rewards for successful strategy implementation

2.2.3 The Stakeholder theory

According to Freeman (1984), stakeholders are any group or individuals who can be affected by the achievement of the objectives of the firm and suggests that firms should identify their direct and indirect persons or groups that are affected. The focus of the stakeholder theory is coherent in two core questions; first, it asks, "what is the purpose of firm?" Secondly, it asks "what responsibility does management have to stakeholders?". These are the two fundamental questions in the stakeholder theory.

Brenner and Cochran (1991), study points out that stakeholder's theory of the firm has two purposes: to describe how organizations operate and to help predict organizational behavior. They contrasted this theory with other theories of the firm, but they did not ask whether the various theories cited have comparable purposes. Stakeholder theory has been used to describe the nature of the firm to describe the way managers think about managing (Brenner & Molander, 1977). It has also been used to describe how board members think about the interests of the corporate constituencies and to describe how some corporations are actually managed (Kreiner & Bhambri, 1991; Halal, 1990).

Further Donaldson and Preston (1995) developed a stakeholder model with the firm lying in the hub with the arrows between the firm and its stakeholders constituents run in both directions and all stakeholder relationships depicted in the same size and shape and are equidistant from the black box of the firm in the center. According to Fassin (2008) there is need for revision of the Freeman's model by putting senior management at the centre of the hub and not the firm. This is because management and not the firm drive decision making of the firm. On the other hand Rowley (1997) proposed a stakeholder network model arguing that stakeholders of one firm can also be a stakeholder of another firm or firms.

Brenner and Cochran, (1991) postulate that stakeholders of the firm has two purposes i.e. to describe how organizations operate and secondly, to help predict organizational

behavior. They contrasted this theory with other theories but they did not ask whether the various theories have comparable purposes.

From this theory it is recognized that the environment where sugar companies and other organizations operate, entities impact entities which in turn impact other entities directly or indirectly. The major role of the boards, suppliers, management teams and the government cannot be understated.

2.2.4 The Open systems Theory

All firms operate within an environment. The theory was developed by a Hungarian biologist called Ludwig Von Bertalanffy in 1928 (Olum, 2004; Amrule, 2013). The foundation of systems of theory is that all the components of an organization are interrelated, and that changing one variable might affect many others, or if one sub-system fails, the whole system is put in jeopardy. In this regard, organizations are viewed as open systems, continually interacting with the environment. These parts that share feedback among each other can be looked as consisting of four aspects namely: inputs which comprise resources such as raw materials, money, technology, and people; processes, such as planning, organizing, motivating and controlling; outputs such as products and services and enhanced systems productivity. This implies that when one part of the systems is removed, the nature of the system is changed as well. Systems theory helps managers to look at the organization more broadly and recognize the interrelationships among the various parts of the organization and how they are related to each other.

The environment influences the strategy implementation efforts of the organization. The Open systems theory was developed after World War II in reaction to the earlier theories of organizations such as the human relations perspective of Elton Mayo and the administrative theories of Henri Fayol. Due to this open systems theories come in many taste for example Institutional theorists see organizations as a means by which the social values and beliefs are embedded in organizational structure and expressed in

organizational change. Contingency theorists argue that organizations are organized in ways best fit the environment in which they are embedded. Resource dependency theorists see the organization as adapting to the environment as dictated by its resource providers. According to Bastedo (2004), although we have variety in perspectives as provided by the Open systems theories, they share the perspective that an organization survival is dependent upon its relationship with the environment.

One of the strategic planning techniques that provide a useful framework for analyzing the environmental pressures on a team or an organization is called PESTEL, which is an acronym that stands for political, environmental, social, technological, environmental and legal factors. These factors are crucial in advanced strategic management and are a must for any business or company, regardless of the industry in which they operate in. however, each of the factors will vary from business to business and from company to company. It helps a company determine how various types and categories of factors influence its "well-being". It remains a mandatory analysis technique that is usually a part of the larger and more comprehensive SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats).

In the PESTEL tool, political factors represent the way and the extent to which a government influences the economy and business and they include labour laws, tax policy, tariffs, trade restrictions, environmental law among. Economic factors refer to those areas unique to the economy and directly influenced by the economy such as inflation rate, interest rate, economic growth or exchange rate. Social factors refer to demographic factors that comprise the areas such as population growth rate, cultural aspects, age distribution and health consciousness. Technological factors refer to automation, incentives, the rate of technological change and Research and development and they in addition other areas including efficient production level, quality, costs, and outsourcing decisions. Environmental factors refer to all the factors related to and influenced or determined by the surrounding environment. They include weather, climate, geographical position, insurance, and climate change. Finally, legal factors to

laws directly connected to a business or company and its area of activity, including consumer law, antitrust law, health and safety law, and the law on discrimination.

Johnson, Scholes and Whittingham, (2008) observed that a business is a man-made system which has dynamic interplay with various elements that include environment, competitors, customers, suppliers, labor organizations, the government and other agencies. He argues that it's a system of related parts working in conjunction with each other in order to accomplish a number of goals for the organization and those of the individual participants.

The open systems theory has significantly adjusted the way we understand organizations and the demands placed on its leadership and or managers. The sugar is operating within an environment and they are not independent of the driving factors behind organizational change. Contemporary studies of accountability movements, professionalization and instructional leadership all benefit from a strong open systems approach to understanding environmental demands and the resulting adaptation in policy and its implementation, or lack thereof. The PESTEL tool gives factors that put pressure on the sugar in Kenya such as the political environment, the economy and the rest.

2.2.5 Resource based view theory

The resource based view was proposed in the 1980s. The theme of the Resource based view is that firms compete on the basis of their resources and capabilities. It assumes that firms within an industry may be heterogeneous with respect to the bundle of resources that they control. The theory assumes resource heterogeneity may continue over time because the resources used to implement firms strategies are not perfectly mobile across firms and are difficult accumulate and imitate (Peteraf & Bergen, 2003; Barney, 1991).

According to Downes (2001), the kinds of execution obstacles most organizations run into fall into two categories: problems internal to the company and problems generated

by outside forces in its industry. These internal and external issues are affected by the extent of flexibility have to launch strategic initiatives successfully.

Sugar in Kenya have unique characteristics such as flexibility yet they are also faced with many challenges that inadequate resources like time, technical expertise and low capacity utilization of the factories, competition from cheap sugar imports, cane supply challenges. These risks are common in the agricultural sector. This calls for sound strategy implementation.

2.2.6 Human resource development theory

According to Swanson and Holton, (2009), human resource development is defined a process of developing and unleashing human potential expertise through the organization development and personnel training and development so as to improve performance. Performance entails the organization, work process and individual or group levels whereas training is the process of systematically implementing organizational change in order to get better results. The core beliefs of human resource development are three, namely; that organizations are human-made entities that rely on human expertise establish and achieve goals; secondly, that human expertise is developed and maximized through human resource development and should be done for the mutual short term and long term benefit of both the organization and the individuals involved., thirdly, that professionals are advocates of individual or group work process and organization integrity, (Nadler, 1970; Ruona & Gibson, 2004; Swanson & Holton, 2009).

The Operationalization of the human resource development is anchored in three theories namely; the economic theory (which captures the core issues of the efficient and effective utilization of resources to meet productive goals in a competitive environment); the systems theory (which looks at the complex and dynamic interactions of the environment, organization, work processing and group or individual operating at any point in time), and the psychological theory (which is concerned with developing human

resources and the socio-technical interplay between systems and people), (Ruona & Gibson, 2004).

The human resource development theories and components are likened to a three-legged stool where the legs represent the components and the platform represents their full integration. The stool rests on the floor which represents the organization which in this study are the sugar companies in Kenya. In this study the components are capacity, training and motivation that improve implementation of strategies in Sugar companies in Kenya. The sugar companies operate in a very dynamic environment. The open systems theory has been highlighted in this section of this study.

Achieving successful strategy implementation in the sugar companies means that managers and supervisors must be well trained and take ownership of the strategy to get the desired results of the company, in terms of profitability, increased sales, and turn over.

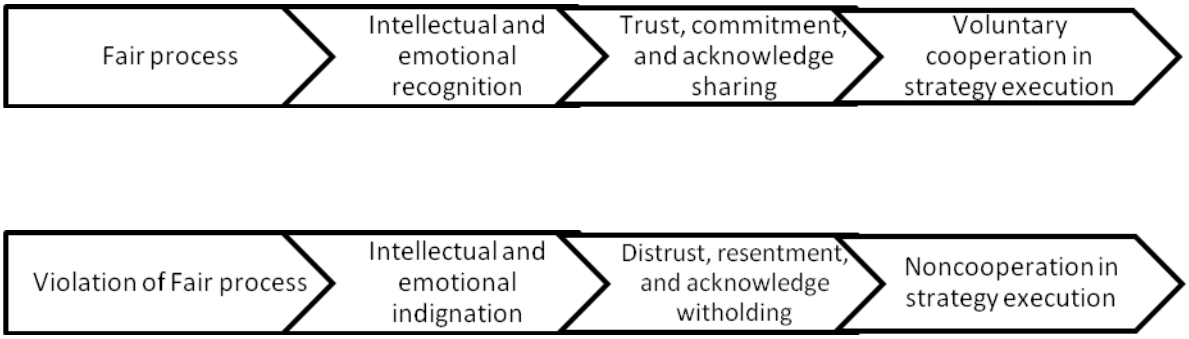
2.2.7 The procedural justice theory

According to Mauborgne and Kim (2015), the direct theoretic origin of fair process traces back to two social scientists: John W. Thibaut and Laurent Walker. In the mid-1970s they combined their interest in psychology of justice with the study of the process, creating the term “procedural justice”, (Thibaut & Walker, 1975). They sought to understand what makes people trust a legal system so that they comply with laws without being coerced. They established that people care as much about the process through which an outcome is produced as they do care about the outcome itself (Thibault& Walker, 1975; Mauborgne & Kim, 2015). Subsequent researchers such as Tom and Tyler and E. Allan Lind, have demonstrated the power of fair process across diverse cultures and social settings (Ciralsky, 2013; Mauborgne & Kim, 2015).

People’s satisfaction with the outcome and their commitment to it comes when procedural justice is exercised. There are three mutually reinforcing elements that define fair process: these are engagement (involving individuals in strategic decisions that

affect them by asking for their input), explanation (that everyone involved and affected should understand why the final strategic decisions are made as they are), and clarity of expectation and in strategy formulation and execution these three affects them whether they are the top level management or they are employees at the lowest level. Fair process is the managerial definition of procedural justice theory and just like in the legal settings, fair process builds execution into strategy by creating people's buy-in up front (Bossidy, 2012; Mauborgne & Kim, 2015). Fair process is important in shaping people's attitudes and behaviour, both emotionally and intellectually.

Figure 2.1.The consequences of the presence and absence of fair process in the strategy formulation and execution



Source: Mauborgne and Kim, (2015), p. 183

In a fair process, when individuals are recognized for their intellectual worth, they are willing to share their knowledge and when treated with emotional recognition, they feel emotionally tied to the strategy and inspired to give their all in its formulation and execution.

According to Mauborgne & Kim (2015), procedural justice theory is critical to strategy formulation and execution because it has impact to both internal and external stakeholders. Both internal and external stakeholders play a key role in many organizations' success. In terms of internal stakeholders, by organizing the strategy

formulation and implementation around the principles of fair process, you can build execution into strategy making from the start. Application of fair process ensures that people will be committed to the resulting strategy even if viewed as not favourable or at odds with their perception of what is strategically correct for their unit. For external stakeholders, the practise of fair process is even greater because they are less influenced by the internal organization's hierarchical control and they often have diverging interests and understandings.

In the sugar sector, development of strategies, contracts and their enforceability such as with suppliers, farmers, and other service providers is based on fair process. Without external stakeholders' commitment and cooperation, execution of good strategies can easily become a slippery slope of missed deadlines, cost over runs and half-hearted alignment on quality.

2.2.8 The Chaos theory

This theory was formulated by Lorenz (1963) in a study of the dynamics of the turbulence in the flow of liquids. The interest in chaotic systems is the underlying patterns of structure and order even when they are in chaotic state. The theory underscores that chaotic systems are capable of sudden changes. It is argued that non-linearity and positive feedback loops are fundamental properties of organization's life as it interacts with other firms and actors in the environment, (Stacey, 1995).

As a result of the dynamism and uncertainty in which organizations operate in, it is therefore argued that organizations perform better when they find a "fit" and deploy assets in a way appropriate to the environment and ensure that they debate continuous how they can achieve strategic fit (Hannan & Freeman, 1984).

The chaos theory postulates that businesses should put emphasis on innovation, flexibility and creativity to vagaries in the market place by adopting various approaches such as adopting organic structures as opposed to mechanistic structures and encouraging all workers on free exploration of complex and delicate issues.

This theory is very relevant to the sugar companies that is operating in a turbulent business environment that is very flexible. The use of strategic planning could help the sugar companies become more innovative, and learn to cope with changes in the business world. They can also improve their internal business processes, build human capacity, embrace new technologies, carry out diversification of products and therefore remain competitive.

2.2.9 McKinsey 7S Framework

Peters and Waterman (1982), based on their study of the 'best' American companies in the 1980s, developed a framework identifying the key factors to effective strategy implementation. This framework best known as McKinsey's 7S framework is shown in Figure 2.1. "The 7S" (strategy, structure, staff, systems, skills, style and shared values) and their interconnections facilitate organizational change and progress, (Baroto, Arvand & Ahmad, 2014). This framework is argued to provide a useful visualization of the key components managers have to consider in successfully implementing a strategy (Pearce & Robinson, 2011). After the strategy is formulated, the framework suggests that managers focus on six components to ensure effective implementation: organization structure, shared values (culture), systems, skills, style, and staff (Peters & Waterman, 1982).

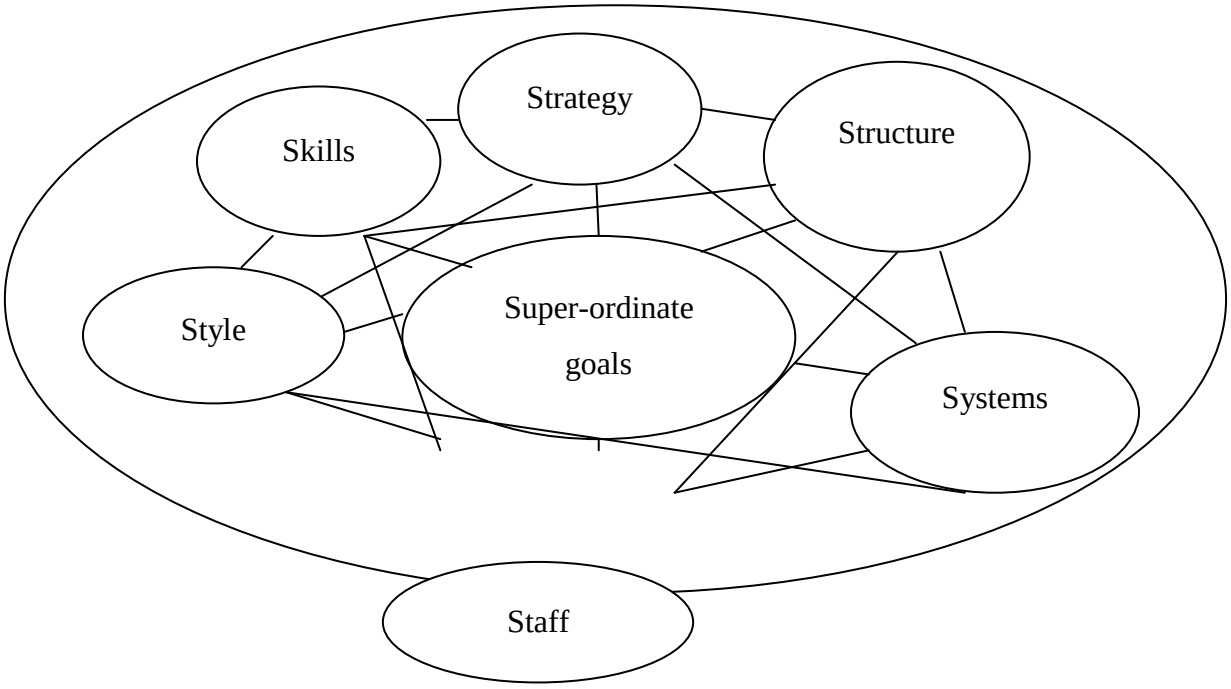


Figure 2.2 McKinsey 7S Framework (Peters &Waterman, 1982).

One attribute of this framework is the logical and rational nature in which it was conceptualized, logical in the sense that it has hard aspects of strategy implementation efforts such as the structure, reward systems and control information system. However, little attention is paid to soft aspects such as culture, coaching, mentorship, leadership, socialization, behavioral and employee motivation as well as power and politics. Strategy implementation raises the issues of power and politics, thus confronting established positions and power bases, which affect strategy implementation. Other area where little attention has been given is the context and individual/organization influences on the strategy implementation. Baroto, Arvand and Ahmad (2014) indicate that there is room for modifying the 7S through considering the effects of external factors during the action stage (i.e. execution stage).

According to Baroto, et.al, (2014), the 7S framework, with considerable numbers of interrelated variables can be theoretically customized to solve the strategy implementation problem. Organizations are multivariate systems and that all variables

interact with other variables. These eight variables are tasks, people, structure, decision processes, culture, information systems, control systems, and reward systems. Each of these variables can potentially affect all other variables (Bossidy & Charan, 2002; Speculand, 2014; Anderson, 2015).

2.3.10 Leadership

Yukl (2010) defined leadership as "the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives". Yukl's definition states that leadership includes efforts to influence and facilitate the current work of the group, and it also ensures that the group is ready to meet future challenges of the organization, firm or industry.

There have been many theories of leadership and we shall not discuss all of them in this study on challenges of strategy implementation in the sugar companies. Other scholars define it differently. According to Hemphill & Coons (1957) leadership is, "the behavior of an individual directing the activities of a group toward a shared goal" (p. 7). Katz & Kahn (1978) states that leadership is "the influential increment over and above mechanical compliance with routine directives of the organization".

In the sugar industry, company managers play a critical role in shaping the future of the organization. Their leaderships should be transformative. The changes in leadership experienced among the millers has been an indicator that there meaningful transactional and transformational leadership is wanting.

Transformational and Authentic leaders are believed to have a high self-awareness about their values, beliefs, and emotions, self-identities, and abilities. According to Yukl (2010) their actions are strongly determined by their values and beliefs, not by a desire to be liked and admired or to retain their position. The core values for authentic leaders motivate them to do what is right and fair for followers, and to create a special type of relationship with them that includes high mutual trust, transparency, guidance toward

worthy shared objectives, and emphasis on follower welfare and development. Most versions of the theory propose that people who follow authentic leadership share the leader's values and beliefs, and "followers recognize that the leader's behavior is consistent with their shared values" (Yukl, 2010).

Strategic management models

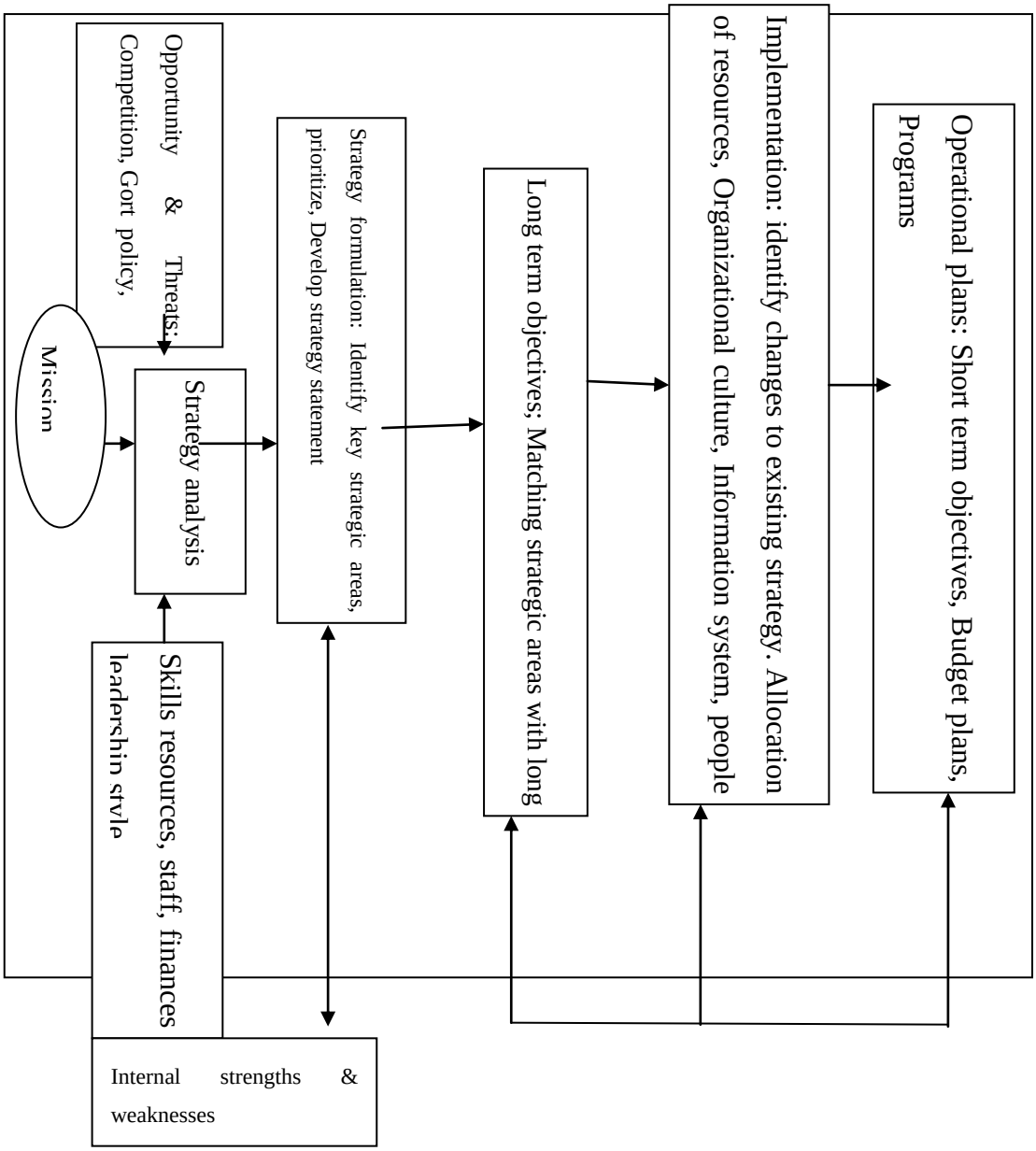


Figure 2.3: Strategic management Model: Source: Berry (1998)

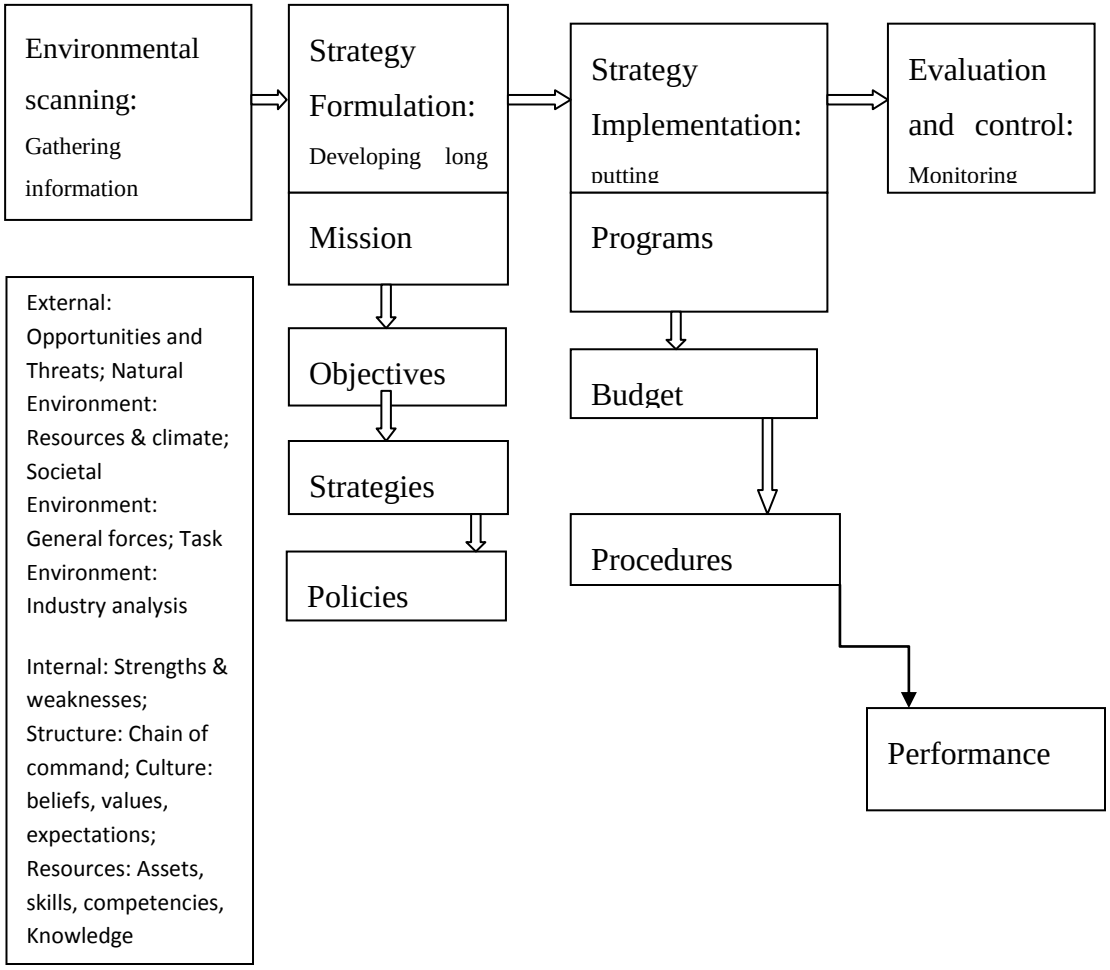


Figure 2.4. Strategic management model. Source: T.W. Wheelen and J.D Hunger (2006).

Table 2.2Mintzbeg's taxonomy of strategic management schools

Prerequisites for success	What do customers want?	Analysis of demand
		Who are our customers?
		What do they want?
	How does the firm survive competition?	Analysis of competition
		What drives competition
		What are the main dimensions of competition?
		How intense is competition?
		How can we obtain superior performance?

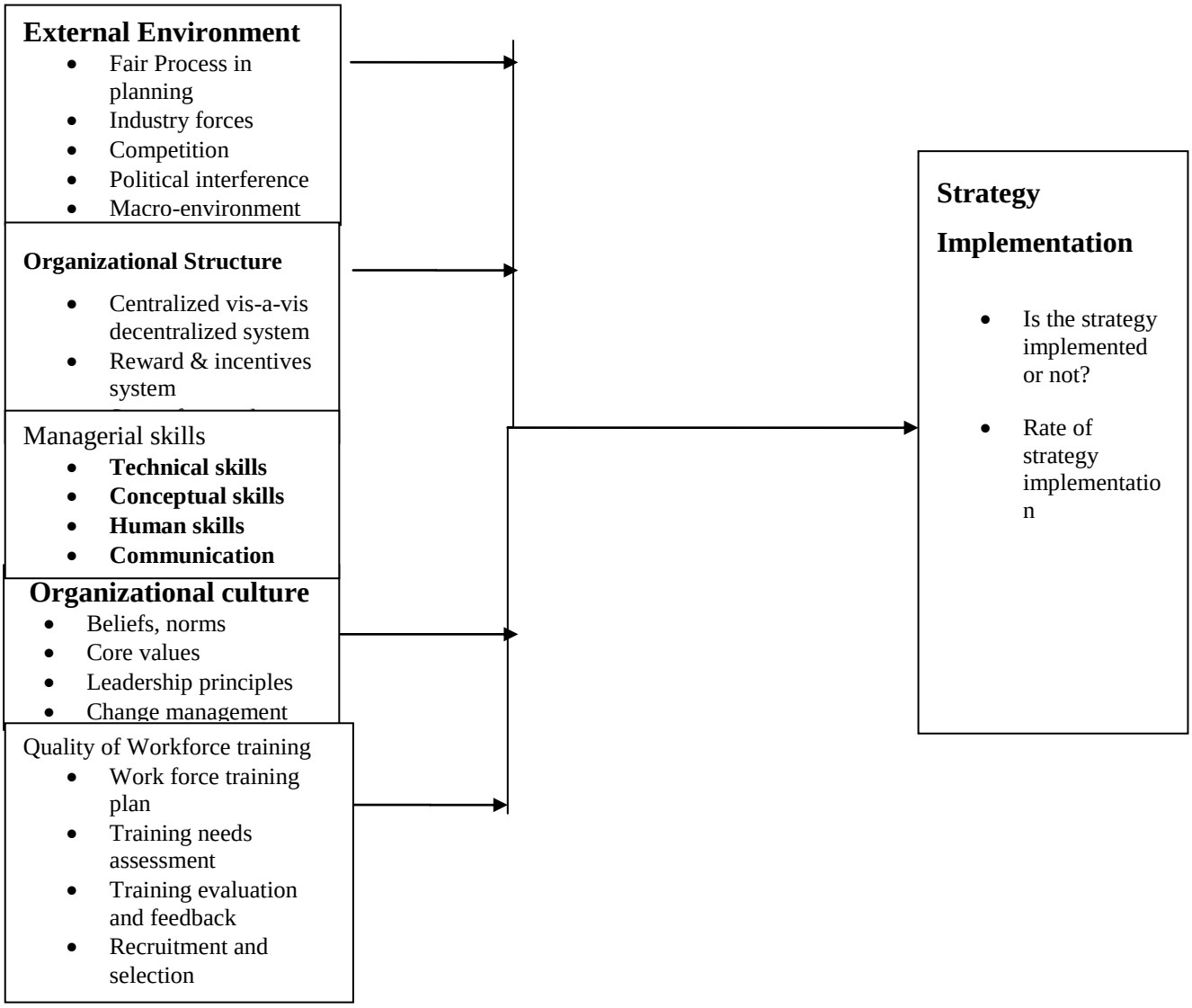
Source: Mintzberg et al.,1998

2.3 Conceptual framework

According to Ramey and Reichel (1997), a conceptual framework is a collection of interested ideas and principles arising from enquiry of relevant literature and used to structure a graphical presentation showing systematic relations. It's a diagrammatic, flow chart or figurative illustration explaining the relationships between factors and variables identified, relevant to the study (Punch, 2006; Oso & Onen, 2011, and Burns & Burns, 2012). Mugenda, (2008) defines conceptual framework as a concise description of the phenomenon under study accompanied by a graphical or visual depiction of the major variables of the study. According to Kothari, (2004) and Myers (2009), conceptual framework explains graphically the general constructs of the variables to be studied and the relationships amongst them.

Conceptual frameworks are used in research to outline possible courses of action or present a preferred approach to an idea or thought. Miles and Hiberman (1994) indicate it a visual or written product, one that explains, either graphically or in narrative form, the main things to be studied; key factors, concepts or variables and the presumed relationships. Conceptual framework should be based on a particular premise and this study is based on the theoretical review of variables and it's illustrated in figure 2.5.

The general objective of this study was to establish the management perception of challenges of strategy implementation in selected sugar companies in Kenya.



(Independent variables) **(Dependent variable)**

Figure 2.5 The Conceptual framework

2.4 Empirical Review

This section gives general literature on strategic management process and goes further to look at each element that is strategy environmental scanning, strategy planning, strategy

implementation and strategy evaluation and control. Detailed empirical studies are covered in section 2.5 of the proposed study.

The concept of Strategic management

The performance of any business organization in a competitive economy is highly dependent upon the quality of its management via effective implementation of strategic plans. Strategic management is the need of the organization and is an on-going debate. Strategic management has been used successfully by the ailing corporate organization to prepare for the challenges of the future and improve long-term performance (Zafa, Babar, & Abbas, 2013). In the current business world, knowledge evolves rapidly and the useful lifespan of the organizational skills is decreasing, which means the survival and competitiveness of organization is linked to its ability to learn and include its findings in their strategic management (Nedelea & Paun, 2009).

The formulation of strategy is very important for any organization but the most important stage that will cause significant differences is the stage of implementing the strategy which has been crafted, (Potter, 1985). More than 70% of the organizations come up with excellent strategies but they face many bottle necks when it comes to translating them into action.

Elements of strategic management

There are four key elements of strategic management: environemtal scanning, strategy formulation, strategy implementation, evaluation and control. In this ever-changing world the corporate also have to look at corporate governance, social responsibility and business ethics while making strategies. Environmental scanning is a process of scanning the evaluating the environmental factors (internal-looking at strengths and weaknesses and external-looking at threats and opportunities) so as to identify threats and opportunities.

Strategic planning is a management process developed for the purpose of intentional strategy development (Jarzabkowski, 2005). Strategic planning has many favorable effects to a firm that include improvement in firm performance, it improves management efficiency which in turn leads to better ability to identify and maximize on market opportunities, (Oana, 2011; Amrule, 2013).

According to Skrt & Antotic (2004), strategic planning became mandatory for entrepreneurs in the context of global competition, technological change, and market dynamics. Strategic decisions are crucial to ensure heterogeneity of organizational behavior and creation of value as well creation of new value, Kaplan, Norton & Barrows, (2011).

Omran and Korshid (2014) indicate that policy and decision makers need an intelligent, robust and more confidence mechanism to help them analyse the future impacts and overcomes the future high uncertainty and complexity of the business environment. All environmental scanning and analysis methods in literature help the decision makers in the strategic decision process. It has been observed that strategy concerns what an organization is doing in order to gain a sustainable competitive advantage, Porter (1985). The principal concern of an organization strategy is identifying the business areas in which an organization should participate in to maximize its long run profitability. 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, to meet the needs of markets and fulfill stakeholders' expectations (Mauborgne & Kim, 2015). Goldsmith (1995) points out that strategy comprises actions employed to meet a firm's long-term objectives.

Strategy, according to Jones & Hill (2009) is an action that a company takes to attain one or more of its goals and therefore superior performance. Strategy is the pattern of organizational moves and managerial approaches used to achieve organizational objectives and to pursue the organization's mission (Thompson & Strickland, 2003). Andrews (1971) in a more elaborative version, recognized strategy as the pattern of major objectives, purposes or goals, stated in such a way as to define what business the company is in or is to be in, and the kind of company it is to be.

Porter (1996) views strategy as the creation of a unique and valuable position involving a different set of activities. Strategy is a means of solving strategic problems, which are a mismatch between the internal characteristics of an organization and the external environment, to exploit opportunities existing in the external environment (Aosa, 1992).

A review of the literature by Noble (1999) reveals that, as with 'strategy', there is no universally accepted meaning of 'implementation' (Wernham, 1985). In addition, most of the definitions on strategy implementation are rather general in nature (Flood et al., 2000; Miller et al., 2004). Most allude to a process by which the formulated strategy is to be implemented. The most common view on strategy implementation is that it is 'a relatively straightforward operationalization of a clearly articulated strategic plan' as argued by Noble (1999). How this operationalization is to be done, or how this process can be characterized remains largely unspecified. Only a few definitions (Hrebiniak &Joyce, 1984; Reed &Buckley, 1988; Wheelen & Hunger, 2006) refer to concrete activities and systems such as organization structures, personnel actions, control systems, Programs, budgets, procedures, and job requirements. In this study, we define

strategy implementation as ‘the sum total of the activities and choices required for the execution of a strategic plan’ (Wheelen & Hunger, 2006).

The question of how strategic planning contributes to performance has spawned many studies but no vigorous and consistent findings. The contribution of this area of research has been limited by the inconsistency of its measurement schemes, and priori assumptions of strategic planning dimensions and factors. For example, Greenley, Cravas, Piercy and Slater (1996) conducted empirical study that has focused on the relationship of strategic planning to overall firm’s performance in manufacturing companies. Five out of nine studies reviewed claimed a positive relationship and four did not.

The first step to develop and implement strategic initiatives is their selective initiation based on the environment, since the potential for future competitive advantage depends on a company’s ability to imagine markets and opportunities before competitors (Hamel & Prahalad, 1996). Furthermore, the generation of new ideas, it has been argued depends on individuals who routinely and repeatedly interact, share, and form similar information and parallel beliefs. There are key individuals, who may or may not be readily apparent, who extend their relationships beyond their own cluster to seek novel information, new ideas, and new opportunities (Freeman, 1984; Burt, 1992). Therefore, those individuals, mainly 'managers' but including others, will gain insights into strategic issues and opportunities not apparent to others in similar positions.

The strategy framework developed by Kaplan, Norton & Barrows (2011) provides organizations with key questions which should guide an evaluation of the developed strategies and the corrections that need to be taken.

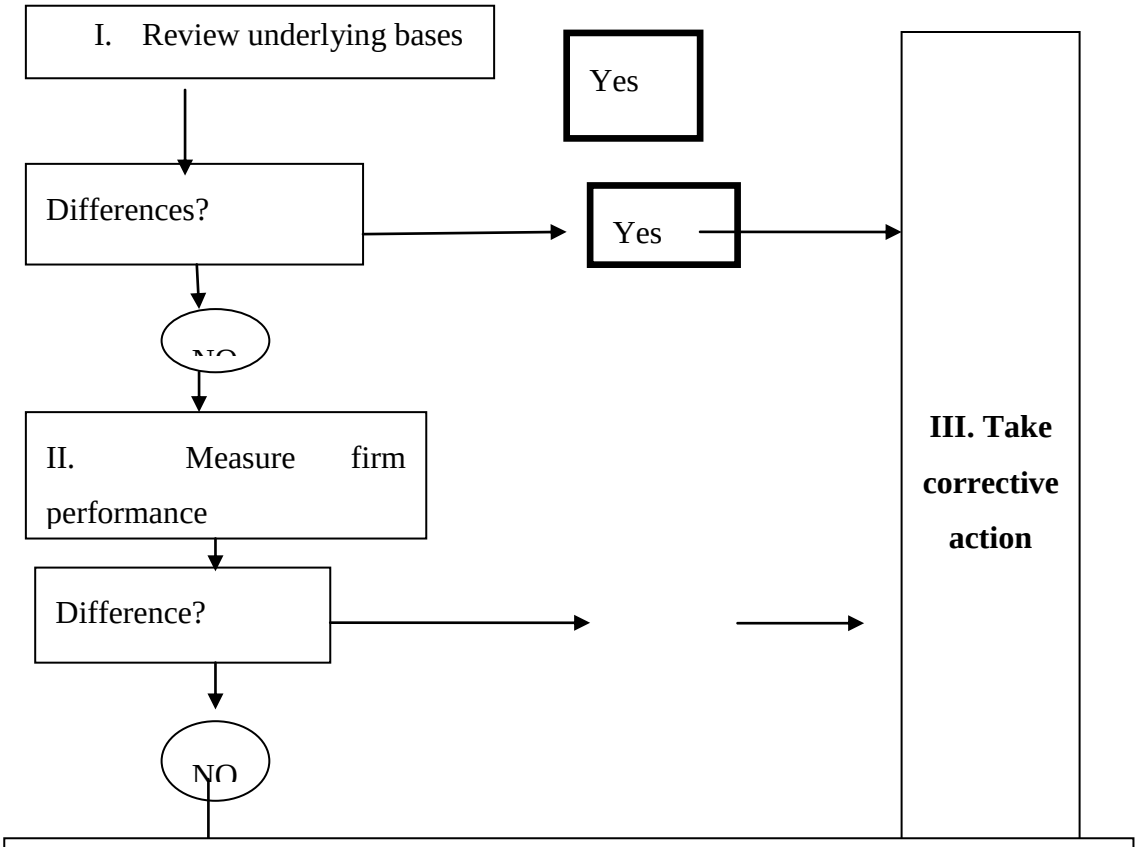


Figure 2.6: Strategy Evaluation framework; Source: Kaplan, Norton& Barrows, (2011)

Strategy implementation is where the rubber meets the road. The strategy implementation literature suggests two overall reasons why a plan or strategy can fail: the strategy itself is inadequate or it is not properly implemented (Hussey, 1999).

Strategy evaluation and control ensures that the goals, objectives are in tandem with the desired direction of the organization, mission and vision.

Bossidy, Charan and Burck, (2011) state that strategy implementation is the great-unaddressed issue in the business world today yet it has an overall influence on the performance of firms (Aosa, 1992). Further, Baroto, Arvand and Ahmad (2014), indicate

the effective implementation of an ordinary strategy can beat the second rate implementation of an excellent strategy. Its absence is the single biggest obstruction to success and cause of most of the disappointments that are mistakenly attributed to other causes. Organizations fail not at the point of developing strategies but over at the point of implementation the strategic plans which they spend long hours, their meager resources in the form of human effort, financial resources and technical effort, to develop.

2.4.1 External environment and strategy implementation

Organizations operate within an environment and external factors have a significant influence on the firms choice of direction, actions and ultimately its organizational structure and internal proceses. These are factors in the industry environment, remote environment and operating environment and together the three factors form a basis for threats and opportunities in the competitive environment, (Pearce II & Robinson, 2011).

While examining external environment and succesful strategy implementation, its observed that the world has become a small global village and a study by Reinert (2008) points out that if increased economic integration is done in the right way and the right pace, it has potential to make everyone economically and socially better off. According to Peltonen, Skala, Alvaro and Gabor (2008), import competition among manufacturing firms has led to a negative impact on their profitability. The 21st century businesses should not overlook taking advantage of the benefits inbuilt in globalization and especially in the sugar sector, where technological change and innovation have potential benefits. Myatt, (2006) observes that through globalization, firms can reposition themselves at a higher competitive level. Due to globalization the international business boundaries have been opened, thus allowing the movement of goods from one nation to another without many hindrances. Ervin and Smith (2008) further support this notion that through globalization, the import and export business of nations has increased significantly

A study my Muli (2008) on the challenges of strategy implementation in public corporations: a case study of Telkom Kenya Limited, found out that there were challenges facing Telkom Kenya particularly from the external competitive operating environment. The study also found out that challenges from the industry forces such as powerful buyers, powerful suppliers and stiff rivalry from competitors impacted strategy implementation. Other challenges were industry vulnerability to susbstitute products, changes in the magnitude of the barriers to entry, concentration of suppliers, the industry's average percentage utilisation of production capacity.

Ochanda (2010), in a study on challenges of strategy implementation at the Kenya Industrial estates limited found out that the challenges experienced by the organization were enahnced by both restrictive regulations and policies under which state corporations operate. State corporations operate in a complex environment which is very unpredictable and less stable. The state corporation operate in an environment that is guided by government policies, regulations and standards and do not operate strictly and as freely as the private sector. This makes it difficult for KIE not to operate competitively and focus on profiitability. The same applies to the sugar companies in Kenya, which this study considered as a unit of analysis.

Bedford and Harrison (2015) in their study of leveraging environmental scanning to identify knowledge management activities in the transportation industry demonstrated that there's value using business and competitive intelligence methodologies to promote and better position the field. They suggest that environmental scans should focus-atleast initially- the eonomic factors.

An empirical study by Aldehayyat (2014) carried out a study on the environmental scanning in the business organization, among the Jordian firms, a Middle Eastern context. The purpose of the study was to analyse environmental scanning and information sources as well the relatioship between the environmental scannig and the performance of business organizations. The study found out that there's positive

relationship between small firms and large and organization performance and points to the value of environmental scanning to organization performance (Karami, 2012; Adeoye & Elegunde, 2012).

A study by Babatunde and Adebisi (2012) on the strategic environmental scanning and organizational performance in a competitive business environment in Nestle Nigeria revealed that there's a significant relationship between strategic environmental scanning and organizational performance. The study used structured questionnaires and data analysed using regress and coefficient analysis methods. His study recommends that organizations should continuously use strategic environmental scanning and pay close attention to threats by avoiding them and taking advantage of the opportunities.

Schmidt (2006) investigated the roles of initiative leaders in initiative performance where focused changes were planned. The most successful managers directed their business model towards specific changes and products with few generic components. These managers also achieved a balance between integration (in a project matrix) or isolation (spin-offs) of resources, in a loosely coupled arrangement that did not stymie creativity and commitment to the initiative. This success in strategic initiatives thus required a formidable management culture to evenly balance resources in the business environment.

Coste (2014), in an empirical study of environmental scanning practices in sustainable supply chain context using 45 semi-structured interviews with key informants combined with discussion of the main results with the focus group of supply chain experts, established that both the breadth and depth of environmental scanning practices matters. The study makes observation about boundaries of the environmental scanning process therefore providing managers with concrete guidance about what to scan in a supply chain. Sugar millers have both inbound and out bound logistics and hence these recommendations applicable.

An empirical study by Karami (2012), investigating the environmental scanning and growth strategy in high-tech small and medium sized enterprises where the study looked at this relationship in British Electronic manufacturing industry. The study did a survey of 132 CEOs views on environmental scanning and strategy in SMEs concluded that there is a significant relationship between increasing environmental scanning of the firm and the success of small and medium sized manufacturing firms in the electronics industry. Due to the nature and dynamics of the electronics industry obtaining information on environmental factors facilitates alignment between business strategy and its environment (Karami, 2012).

A study by Sacchs (2012) on the seven habits of a highly effective Government indicated that politicians squeeze money from the corporations in return for political services. Further, it points out that the role of big money in politics has completely sidelined competent public administration and hence recommended an end to "corporatocracy". Sugar companies in Kenya are mostly run by the public and frequently controlled by political establishments, which in most cases strongly influences board appointments and top management.

Limao and Venables (2001) estimate that a general 10 percent decrease in transport cost could cause trade volumes to increase by as much as 20 percent.

2.4.2 Organizational structure and strategy implementation

According to Stoner, Freeman and Gilbert (2001) organization structure is a framework that managers develop for dividing and coordinating members of an organization or company. Organizing a company's activities and people to implement strategy involves more than just redesigning a corporation's overall structure; it also involves designing the way jobs are done. New job design techniques include job enlargement which simply means combining tasks to give a worker more of the same type of duties to perform, job enrichment which means altering the jobs by giving the worker autonomy and control

over activities and thirdly, job rotation which implies moving workers several jobs to increase variety, (Wheelen & Hunger, 2016).

According to Mackenzie (1978), with larger spans, the costs of supervision would tend to be reduced, because a smaller percentage of members of the organization are supervisors. On the other hand, if the span of control is too large, the supervisor may not have capacity to supervise effectively such large numbers of immediate subordinates. This means that a trade off must be made while balancing the opposing tendencies.

Various empirical studies suggest a relationship between organization structure and the successful strategy implementation both local and global context. Njanja & Pelissier (2010) in a study of 176 small and medium enterprises looked at the effect of planning on performance and established that although strategic planning existed in most firms, there was need to operationalize the plans through adequate resource allocation. The study also did not establish the influence of strategic planning and the value of small and medium enterprises.

According to a study by Van (2015), span of control may be affected by geographical dispersion, capability of workers, if workers are highly capable, need little supervision, and can be left on their own, capability of boss, value-add of the boss, a boss that is adding value by training and developing new skills in the workers will need a narrow span of control than one who is focused only on performance management. It may also be affected by similarity of task, such that for subordinates performing similar tasks, the span of control can be wider, as the manager can supervise them all at the same time and vice versa. Again, the volume of other tasks, if the supervisor has other responsibilities, such as membership of committees, involvement in other projects, liaising with stakeholders, the number of direct reports will need to be smaller; required administrative tasks, if the boss is required to have regular face to face meetings, complete appraisal and development plans, discuss remuneration benefits, write job

descriptions and employment contracts, discuss remuneration benefits, write job descriptions and employment contracts, explain employment policy changes, then a smaller span of control is needed for leaders.

Due to the emergence of self directed cross functional teams and other forms of non-hierarchical structures, the concept of span of control has become less salient.

Awino, Wamalwa, Imaita and K'Obonyo (2011) studied the challenges facing implementation of differentiation strategy at the Mumias Sugar Company Limited in Kenya found that differentiation strategy implementation was affected by structure and this was also established by Johnson and Scholes (2003) that organization structure, processes, relationships and boundaries may cause challenges to strategy implementation.

Shattock (2003) studied successfully managing Universities and the study revealed that functional structures was observed to be effective in coordination of separate functional units, ease decision making as a result of increase in size and diversity of the university. Sugar companies in Kenya today have experienced growth in size and increased diversity of functions which means that power dynamics, communication, processes and relationships require a structure that is aligned to strategy.

An empirical study by Kraus (2006) looked at 290 Austrian firms to analyze the implication of strategic planning on performance of small and medium enterprises. The study established that formalizing strategic planning and alignment of structure to strategy significantly impacts on the growth of firms which was measured in terms of employee count.

An empirical study by Amrule (2013), examined the role of strategic planning on the performance of information communication and technology of small and medium enterprises in Kenya established that a significant relationship between strategic planning and internal business process, learning and growth and financial performance

of small firms. Organization structure was observed to be very critical in communication. The study was based on a sample of 146 small and micro enterprises in Nairobi Kenya.

Similarly an empirical study by Obiajolum and Ngoasong (2008) to understand the relationship between organizational management control systems and performance established that integrated management and budgeting enables firms to be competitive.

Changes in the organizational structure are often needed during the implementation. Leadership often plays a critical role in determining implementation performance and in particular the role of having a powerful champion is considered important.

Nanara (2008) observes a trend in strategic planning process that produces a document that ends up collecting dust on as they ignore or fails to make good use of the procured information required in the strategic planning document. African context studies (Aosa, 1992) noted that many firms created strategic plans which are rarely implemented according to the planned schedules. Realization of competitive advantage and the achievement of outcomes of organizations are hinged on the successful execution of the strategy.

2.4.3 Organizational Culture and strategy Implementation

Organizational culture may be described as a set of norms, values, attitudes and beliefs shared by organization members (Schein, 1985; Stoner, Freeman & Gilbert, 2001). Simply put, in an organizational context, culture is the **"way we do things here"**. Culture exists in three levels which are artifacts, espoused values and underlying assumptions. Artifacts are the things that one sees, hears and feels when one encounters a new group with an unfamiliar culture which may include products, services and people's behavior. Espoused values are the reasons we give for doing what we do. Underlying assumptions are the beliefs that are taken for granted by the members of the organization.

An organization's culture can exert a powerful influence on the bahaviour of all employees and therefore it can strongly affect a company's ability to shift strategic direction (Wheelen & Hunger, 2006). A change in the organization's mission, objectives, strategies or policies is not likely to be successful if it is in serious conflict with the accepted culture of the company.

According to various scholars, corporate culture has a strongly tendency to resist change because it exists to preserve established relationships and patterns of behavior. Organizational culture and policies lie at the core of strategy implementation and deserves much attention (Musyoka, 2011; Awino, Wamalwa, Imaita & K'Obonyo, 2011; Omboi & Mucai, 2012; Chiuri, 2015).

Amolo, Wamalwa, Imaita and K'Obonyo (2011) in their study on challenges facing the implementation of differentiation strategy in the operations of Mumias sugar company, highlighted culture as a shared meaning, shared understanding and shared sense making.

Musyoka (2011), in study on the challenges of strategy implementation in Jomo Kenyatta Foundation revealed that organizational culture is important in determining the success of strategic planning and implementation in any organization. The synergy between the organization's culture and strategy will minise resistance to change and mitigate any challenges that may arise during the implementation phase. When culture influences the action of the employees to support current strategy, implementation is strengthened. According to Musyoka (2011) maximising synergy and reinforcing culture will lead to successful implementation of strategies. Strategy development and implementation should go hand in hand with capacityy development.

Since corporate culture is about self preservation, communication becomes key to effective management of strategic change. According to McKinsey & Company survey of 3,199 world-wide executives, ongoing communication and involvement (especially in decentralized structures) was used by many companies that successfully transformed themselves. Various studies indicate that strategy implementation constitutes various

activities which can be modified directly or indirectly, (Baroto et al. 2014; Amrule, 2013). The main areas of implementation concern the organization structure, culture, resource allocation, communication of the strategy, control system, environmental conditions and policies, (Thomson, 2010). Some sugar companies are very complex and have many employees which means that regular feedback and communication is paramount.

Noble (1999); Pennings (1996); Hambrick & Cannella (1989) identified culture as one of the levers for strategy implementation in addition to resource commitments, subunit policies, rewards and people. These levers form the implementation armament of a manager. These elements are intertwined and must reinforce each other. When implementing a new strategy, resource commitments often have to be changed.

Wheelen and Hunger (2006) identified the big components of strategy implementation as highlighted in figure 2.6. These, the scholar referred to as the strategy implementer's action agenda. These elements cut across most studies on strategy implementation; resource allocation, reward systems, management or leadership drive to move forward, continuous improvement, communication, leadership role, shaping the work environment (culture), and building an organization with competencies and capabilities.

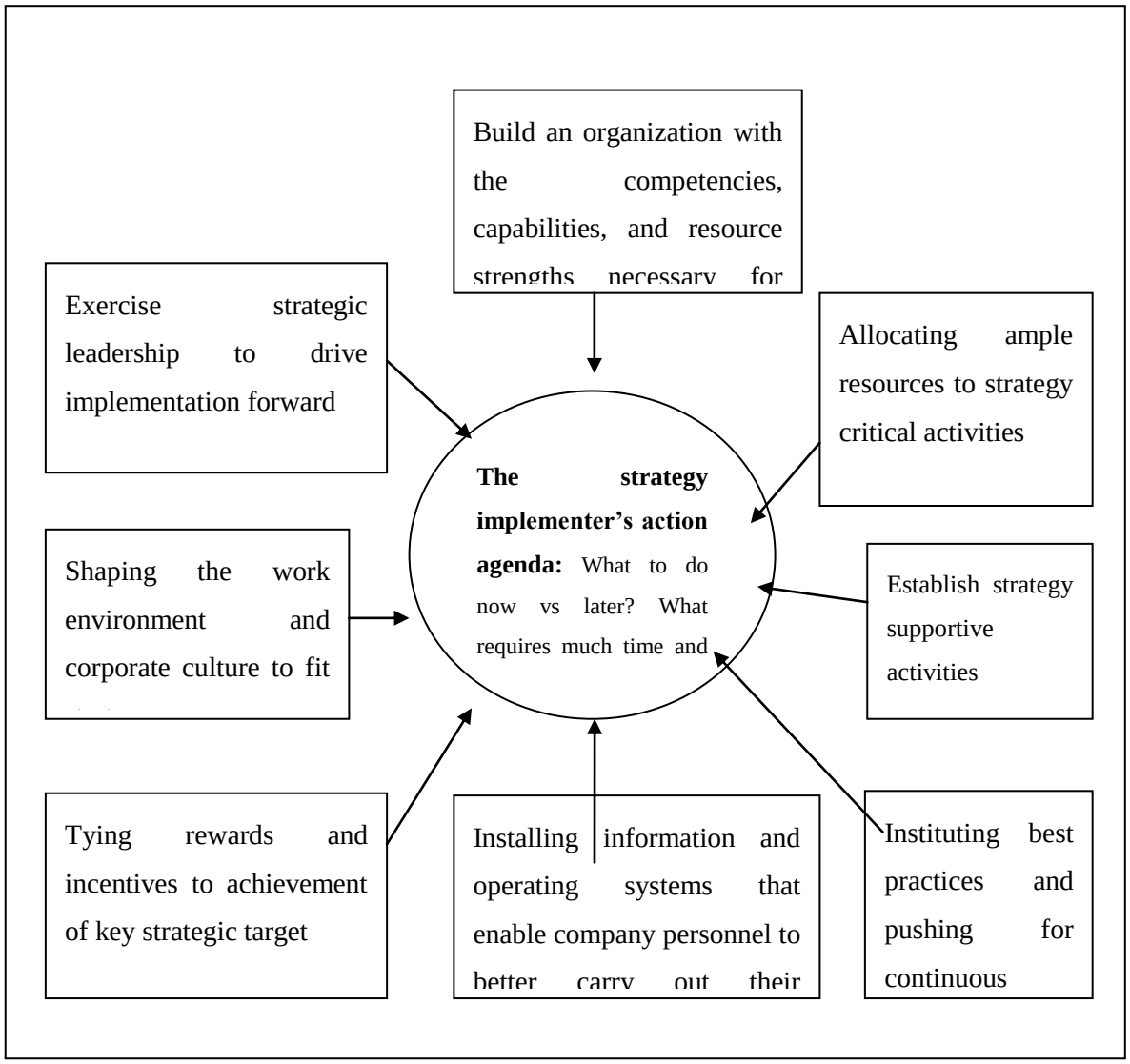


Figure 2.8: The big 8 components of strategy implementation. Source: Wheelen and Hunger, (2006).

Conover and Todd (2015) assert that in the banking sector, financial institutions are currently rethinking the future success of their investment post-crisis and have come to realize that conduct, culture and technology are vital elements for their agenda. Fresh opportunities for competitive advantage are emerging for organizations able to take a leap forward in key areas such as culture and technology.

In a study carried out by Guffy's, (1992) suggest that effective leadership communication and organization commitment are correlated. The findings from this study certainly support and extend the work of Mathieu and Zajac (1990). Execution cannot succeed unless the strategy itself is designed to be executable. Effective communication and leadership are, therefore, key to strategy implementation. The source of strategic change can be internal or external, emergent or planned but it must be recognized and actively pursued.

A study by Mauborgne and Kim (2015) on JSF project on the defense aerospace industry of the United States of America, where in 2001 Lockheed Martin was awarded the massive $200billion JSF contract-the largest military contract in history-over Boeing. The pentagon saw the project will have an unqualified success due to the value at lower cost and the support it had won from all the defense branches. However, a project of that magnitude had unusual execution challenges. The F-35 project represented a conceptual breakthrough in fighter aircraft design that promised high performance and low cost, yet as of 2014, the execution of the project has been anything but good and it has suffered significant cost escalations, schedules delays, and compromises on the value it promised, Mauborgne and Kim (2015). Many reasons have been cited as causes of poor execution but according to the study by Mauborgne and Kim (2015), these reasons underlie what makes a fair process that much important. Many reasons can be traced to a lack of engagement, explanation, and expectation among the military, Lockheed and the complex network of external stakeholders upon which the project’s successful execution relied. The lack of the three principles of fair process negatively affected the both the knowledge sharing and voluntary cooperation that were needed.

Rapert et al. (2000) stated that communication and shared understandings play a principal role in the implementation process. In particular, when vertical communication is frequent, strategic consensus is enhanced and organization performance improves, as evidenced by higher levels of net operating income, gross revenues, and net revenues.

Consensus is considered to be critical in resolving differences, promoting a unified direction for the firm, increasing strategic commitment, and enhancing the successful implementation of a given strategy (Dess & Priem, 1995).

The most important leadership trait is a strong, confident sense of 'what to do' to achieve the desired results. Knowing what to do comes from understanding the circumstances of both the organization and the industry as a whole. This is not about 'micromanaging' but about assigning tasks, making sure that people understand priorities, asking incisive questions, staffing and then following up with measurement. The levers of implementation are organization structure, control and information systems, reward systems, selection and socialization, power and politics and organization culture. By taking into account and adjusting these six factors, it is argued that management can implement a strategy successfully. The factors should support the implementation effort and not inhibit it. In addition, these levers enable a firm to learn from its implementation efforts.

In other empirical studies, new strategies require some type of resource reallocation (Bossidy & charan, 2002; Anderson 2015). Subunit policies and programs are needed to translate the strategy into concrete actions plans with the various organizational subunits. A new strategy often also requires a revised organizational structure. Rewards are considered a major basis for redirecting the efforts of individuals during implementation. Finally, a strategy becomes a success through the aptitudes, values, skills and contacts of people at all levels of the organization.

2.4.4 Managerial skills and strategy implementation

Managerial skills comprise of technical, human and conceptual skills (Stoner, Freeman & Gilbert, 2001). Technical skills is the ability to use the procedures, techniques and knowledge of a specialized field, while human skills is the ability to work with, understand and motivate other people as individuals or in groups. Conceptual skills on the other hand is the ability to coordinate all of an organization's interests and activities,

seeing the organization as a whole, understanding how its parts depend on one another and anticipating how a change in any of the parts will affect the whole organization. The role of management in strategy implementation cannot be over emphasized because they determine how the organization will respond to strategy execution process. It creates awareness on the benefits of the new strategies and explains the roles of each individual, group or division or department in the new strategy, highlighting challenges and grey areas.

According to Harold (1984),"Management is the art of getting things done through and with people in formally organized groups" while Fayol, (1916) asserts that to manage is to forecast and to plan, to organize, to command, to co-ordinate and to control. Management is both art and science. It is the art of making people more effective than they would have been without you. The science is in how you do that. There are four basic pillars: plan, organize, direct, and monitor (Hill & Jones, 2001).

According to Speculand (2014), today's leaders need both the ability to craft the right strategy and skills to implement it. He notes that leaders have been taught how to craft but not how to implement strategy and it becomes a major contributor why 90% of strategies fail. Once they have launched the new strategy they return to their offices and repeat the same mistakes from previous implementation efforts. The study therefore observes that for successful strategy implementation, leaders must focus on both crafting and implementing strategy, oversee and stay committed to implementation, adapt and amend the strategy and implementation as required, create the right conditions for implementation and leaders should follow-up on implementation efforts.

In a study conducted by Thach and Thompson (2007) on examining leadership competencies between for profit and non-profit leaders revealed that commonly referenced competencies for successful strategy implementation include: technical competence, honesty and integrity, diversity consciousness, communication, change management, problem-solving skills, customer focus, business skills, emotional intelligence, social and environment responsibility, interpersonal skills, decision making

skills, political savvy, strategic and visionary leadership and influence skills. The success of strategy implementation will be determined by a leaders ability to identify their competencies and utilize them.

A study by Garegnani, Merlotti and Russo (2015) found out managerial characteristics to be closely associated with the implementation of good and effective ethics in organizations. According to a study by Bolton (2008) corporate boards have the power to make, or at least ratify all important decisions including decisions about investments policy, management policy and corporate governance itself. He also argued that board members with appropriate stock ownership will have an incentive to provide effective monitoring and oversight of decisions and therefore board independence or ownership can be a good proxy for good corporate governance.

Board composition can be defined in different way and there is no commonly agreed upon definition, (Ross, 2005). The most common is the representation in the board reflecting the independence of the board (Hoyt, 2012). The fundamental function of the board are advising and controlling, or monitoring and therefore the corporate framework should ensure the strategic guidance of the sugar companies meet this and accountability to the shareholders and the company at large (Stewart, 2010).

The diversity of the board of governance is important and OECD principles on corporate entities provides that at least half of the board's members need to be independent, which implies no close or personal ties to the company, and it should be appropriate size in relation to the organization's complexity while ensuring a certain degree of diversity among the board members regarding their backgrounds, areas of expertise, and experience among many others (Stewart, 2010). According to Carver (2002), a stakeholder's oriented approach uses boards of trustees in their stewardship role due to moral obligations as a justification for board diversity.

A study carried out 2001- 2007 of Nordic firms found that diversity along the measures of gender, qualifications, nationality and age dispersion has a positive impact on firm

performance with respect to value return on assets and growth (Gregoric et al.,2009). Additionally, Britain's Cadbury Report (1992) calls on boards to take responsibility for the governance of their firms and should at least have three independent directors in the board (Cardbury Report, 1992). On the other hand Canada's Dey Report recommends that the board needs to explicitly assume responsibility for governance, including leadership, information, risk management and stewardship (Cardbury Report 1994).

In studying strategy implementation, the functions of managers as organizational leaders need to be understood. Earlier scholars, Bass (1985) and Burns (1978) suggested the concept of transformational change in organizations is usually identified with leadership. Mullins (2007) claimed that leadership is a ''relationship through which one person influences the behavior or action of other people''. With a shared strategic vision and commitment to that vision, people will motivate themselves to learn, this also helps to identify the strategic objective to be accomplished by the organization. Leadership is one of the many factors which can impact upon the development and implementation of strategy.

Guffy (1992) investigated, at least in part, the demographic impact on communication and the most effective level of management perceived by employees in terms of communication.

A study by Howell (2005), about effective leadership behavior in which 38 organizations were studied, stated that, "Effective champions are distinguished by three behaviors that is conveying confidence and enthusiasm about the innovation, secondly, enlisting the support and involvement of key stakeholders, and thirdly persisting in the face of adversity."

Mapetere et.al (2012), conducted study on the strategic role of leadership in strategy implementation in Zimbabwe's state owned firms and found that most of the top leaders failed (at 65% of respondents) to formulate and articulate worthwhile vision for chosen strategies and their implementation efforts. The study also indicated that at least 54% of

the respondents were of the opinion that top management used their technical skills to lead strategy implementation. The study revealed that most strategies failed due to the inability of the leaders to make use of their various skills to create awareness and show the strategy implementation roadmap. The study recommended that top management should make use of their technical, human and conceptual skills to create the need for change and enhance strategy implementation.

According to a study by Brannen (2005), in order to improve execution, issues that need to be tackled include; inadequate resources, organization cultural barriers, ill defined action plans, poor communication, and poorly defined accountabilities. Managers should use efficient skills and methods to enable successful strategy implementation. In addition empowerment skills can be an obstacle to strategy implementation. This was a new finding from the study, that giving people freedom or authority to execute strategy can be a serious obstacle.

Research suggests that senior-level leaders are more than willing to communicate, but they often approach the task on a tactical rather than a strategic level (Clampitt, Berk, & Williams, 2002). In addition, these same people are trained to plan but not execute plans (Hrebiniak, 2005). While the leader may perceive strategy implementation to be complex, sufficient allocation of resources together with thorough research of the market place will boost chances of success. CEOs must endeavor to identify the markets that bear upon the strategy, set up contingency plans, put in place various measures to cope up with unexpected changes in the market environment.

In a survey conducted in association with Robert Kaplan of the Harvard Business School and Business Intelligence (Rousseau & Rousseau, 1999), more than 40% of senior managers and more than 90% of all employees stated they did not believe they had a clear understanding of their company's strategy. Thus, researcher concludes that successful strategy implementation is determined by the logical decisions and actions of all employees at all levels of the organization, and not just by a few people.

2.4.5 Quality of workforce development and Strategy Implementation

Human resources are the most important aspect of an organization because they are the most critical in achieving the goals of the organization (Armstrong, 2011). Employees may accept or resist change and which makes it difficult to implement strategies. According to Lynch (2000), employees may procrastinate, and delay in triggering the change process, lack commitment, slow downs, disrespect deadlines, go on strikes all of which slow down the change and make it cost more than originally anticipated.

A study by Al-Qatamin (2012), meant to help top management executives to adequately measure strategic performance so that transformation process from current status into the future can be carried out in a most efficient and effective manner. To evaluate the strategic corporate performance of Jordan banks indicated that corporate efficiency had highly significant discriminatory power to distinguish between strategically-high and strategically-low performing banks in the study sample. The study also indicated that the ability to raise long term capital had reasonable discriminatory power to distinguish between groups while profitability has weak positive power. Productivity had no statistically significant contribution to strategic performance.

A study by Manyasi (2009) in the higher institutions of learning in Kenya, looked at the challenge of crisis management of higher institutions revealed that managers do not use proactive approach to crisis management. Hence, there was inadequate knowledge about strategic actions such as integrating crisis management into strategic planning process, corporate excellence, creating crisis management teams and including outsiders on board. The study recommended training and workshops in crisis management, employment of competent officers and that managers should use strategic actions such as integrating crises management into strategic planning process, corporate excellence and creation of crises management teams.

A study by Nganga, Kosgei and Gathumbi (2009) on competency, industrial exposure and experience of university faculty members revealed an absence of a performance

metrics system and a lack of information sharing, poor communication. Successful strategy implementation requires good communication that is vertical and horizontal (Beer & Eisenstat, 2000).

Hrebiniak's research survey of 400 managers contributed to the identification of factors that may cause obstacles to successful strategy implementation included: Lack feelings of "ownership" of a strategy or execution plans among key employees; not having guidelines or a model to guide strategy- execution efforts; lack of understanding of the role of organizational structure and design in the execution process; inability to generate "buy-in" or agreement on critical execution steps or actions; lack of incentives or inappropriate incentives to support execution objectives; insufficient financial resources to execute the strategy.

A study by Garegnani, Merlotti and Russo (2015) in a sample of 248 Italian public publishing code of ethics examined on "untangling the antecedents of code of ethics quality; whether corporate governance does matter", looking at the effect of the board size, board composition and CEOs age on the strategic decision making process. The study found out that ownership structure of the company had a strong influence on the code of ethics and finally that the lower the number of independent directors, the higher the firm's propensity to invest in code of ethics' quality. Similar results were found in relation to board size and CEO age, where smaller boards and younger CEOs are more inclined to implement higher-quality codes of ethics and therefore strategic management processes.

According to Ashmos et. al (2002), the involvement by managers and other organizational members combined with other organizational processes in strategy implementation can result in a variety of firm outcomes. DeLisi (2001), examined "the six strategy killers" of strategy execution, pinpointed by Bear and Eisenstat (2000). He found that four of these factors particularly hamper or destroy strategy execution and these are: a) ineffective senior management b) top-down or laissez-faire senior

management style c) Unclear strategies and conflicting priorities and d) Poor coordination across functional boundaries.

The study also established other potential reasons for the failures in strategy execution. These included: Lack of knowledge of strategy and the strategy process; no commitment to the plan; the plan was not communicated effectively; people are not measured or rewarded for executing the plan; the plan is too abstract, people can't relate it to their work; people are not held accountable for execution; senior management does not pay attention to the plan; reinforces, such as culture, structure, processes, IT systems, management systems and human resource systems, are not considered, and/or act as inhibitors; people are driven by short-term results.

Johnson and Scholes (2002) in a survey found that the five top reasons why strategic plans fail are related to motivation and personal ownership, communications, no plan behind the idea, passive management, and leadership. Bossidy and Charan (2003) in his research on implementation problems notes that "ignoring to anticipate future problems" hinders successful strategy execution.

2.5 Critique of Literature Review

A review of the literature implementation gives rise to the following observations. First, there is a linkage between strategic management process elements: environmental scanning, strategy formulation, strategy implementation, strategy evaluation and control. Internal and external environmental factors are critical when collecting information about environmental scanning. The strategy formulation must provide for clear vision, mission and clear objectives of the strategy and is often not included in most frameworks, with the exception of McKinsey's 7S framework. This is in line with the majority of the implementation literature. The dominant view in strategy implementation remains that strategy implementation is viewed a separate stage after strategy formulation. However, it is acknowledged more and more that strategy formulation and implementation are intertwined processes Bossidy and Charan, (2011), Pearce, Robinson

, (2011); Speculand, (2014) and Mauborgne and Kim, (2015) and that is the case needed to be investigated in the selected sugar companies in Kenya.

Second, the view that management can implement a strategy using Noble's (1999) levers can be considered to be instrumental and top-down in nature. Although this has been a dominant view, it needs a paradigm shift. However, as argued earlier, it is increasingly becoming apparent in the implementation literature that employee commitment, involvement and ownership are important pillars for successful strategy implementation and this is confirmed by the procedural justice theory which articulates that the outcome of a process is as important as the process itself, (Maurborge & Kim, 2015).

Management perception of challenges of strategy implementation has received little or no attention in the previous studies on strategy implementation. Perception is the process by which people translate sensory impressions into to a coherent and unified view of the world around them. Though necessary based on incomplete and unverified (unreliable) information, perception is equated with reality for most practical purposes and guides human behavior (www.businessdictionary.com, 2016).

Third, most studies have focused on only the rational and logical nature of strategy implementation effort and in this regard put emphasis on organizational structure, reward systems and control and information systems. Besides organization culture, less attention is paid to 'soft' aspects or the human side of implementation. For example, little attention is paid to subjects such as, norms, habits, training, managerial skills, resources, accountability and integrity, workforce recruitment and selection, orientation and socialization, employee motivation, and behavioral change.

In addition, little attention is paid to power and politics. As stated earlier, strategy implementation unavoidably raises questions of power within an organization. The very prospect of change confronts established positions. As such, power and politics can have significant influence on an implementation effort. Most importantly external environment factors that include political influences and legislation, where for example,

Kenya in 2010 opened a new chapter of governance when a new constitution was promulgated. This created 48 Governments, 47 Counties and the National government and agriculture was devolved functions to counties.

Fourth, little attention has been given to the context in which a strategy is to be implemented. Although aspects of the context are considered such as organization structure, culture, staff, and reward systems, they are viewed as aspects, which can be changed. As such, they are not viewed as contextual aspects; such the influence of quality of workforce training may influence an implementation effort. The studies have paid little attention to influences of the quality of workforce training on the challenges of strategy implementation of firms.

Finally, little attention has been paid to the sugar companies in Kenyan. Most studies have focused on Institutions of learning in Kenya. More so, very few studies looked at challenges of strategy implementation in Kenya. While, at this, most studies have paid more attention to the developed world context while ignoring the developing countries.

2.6 Research Gap

Execution is not only the biggest issue facing business today; it is something nobody has explained satisfactorily. Other disciplines have no shortage of accumulated knowledge and literature, (Bossidy, Charan, & Burck, 2011). According to Hrebiniak, (2006), Pryor, Anderson, Toombs and Humphreys, (2007), little attention has been given to strategy implementation within the discipline of strategic management and organizational research. There exists a glaring gap on studies on strategy implementation in Kenya and other developing countries, an especially in the sugar industry. Based on the literature reviewed, there is need for research to be done in Kenya in this specific subject area which looks at management perception on challenges of strategy implementation in selected sugar companies in Kenya. This study will therefore make a contribution to the body of knowledge of strategic management and most specifically, strategy execution. Specifically, most studies reviewed focused on the strategy

formulation in the developed world ignoring the developing world, a few studies focused on factory production of sugarcane, while one study carried out locally in Kenya focused on challenges facing implementation of differentiation strategies in one sugar miller, Mumias Sugar Company. It was limited in scope and was not comprehensive. This study was limited in scope and sample size, as compared to the current study, yet it also gave valuable insights. Practically speaking, there is little empirical literature on challenges of strategy implementation in Kenya and none at all when it comes to management perception on challenges of strategy implementation in sugar companies. Additionally, a lot of studies on strategic management have focused more on strategic planning and performance without looking at strategy implementation.

It's also recognized that many of the recent research publications about strategy implementation focused more on specific perspectives such as leadership, employee buy-in and performance measurement (Pryor et al, 2007), while few publications endeavor an approach that integrates organization structure and managerial skills (Beer & Eisenstat, 2000).

While examining the Kenyan context, a study carried out by Chiuri (2015), examined the challenges of strategy implementation in the higher educational institutions in Kenya. However, the context of the study was quite different from the sugar sector which is an agricultural sector. Amrule (2013) examined the role of strategic planning of small and microenterprises of firms by looking at the aspect of strategic planning and it recommended studies in other sectors and also looking into all strategic management processes.

2.7 Summary

This chapter examined both the theoretical and empirical literature relevant to the study. The review indicated that strategy implementation is the most important element of the strategic management process and whose action will result in improved performance of firms. The independent variables of external environment, organizational structure,

organizational culture and managerial skills and quality of workforce development have been reviewed in this chapter.

The literature relevant to the effect of quality workforce development was also reviewed. The chapter also indicated the conceptual framework showing the relationship between the predictor, and outcomes variables in the study. Research gaps were identified and highlighted in this chapter. The next chapter looks at the methodology used by the study.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology that was used in undertaking the study. The section covers the research design, the target population, data collected, sampling frame, sample and sampling techniques. The data collection instrument, data collection procedure, validity and reliability of the instrument, and the data processing and presentation are also discussed. Lastly, the analytic techniques used for data analysis is presented.

3.2 Research design

3.2.1 Philosophical orientation

There are two epistemological philosophical orientations: Phenomenological and positivist orientations. This research approach involves a blend of positivism (quantitative research) and phenomenology (quantitative research). According to Saunders, Lewis & Thornhill, 2009; Morgan & Smircich, 1980), both approaches are contingent on the nature of the phenomenon under investigation.

For the positivist, minds are scientific and must therefore be the focus of any meaningful scientific study. This implies that the focus must be on that which is observable. This orientation is characterized by operational definitions, objectivity, hypothesis testing, causality and reliability.

On the other hand, the phenomenologist focuses on the immediate experience. Indeed phenomenology is an inextricable part of ordinary experience. The phenomenological researcher is open and trusts his experience. Phenomenology has the advantage of providing an account of uniquely human characteristics and gives more prominence to cognition. To achieve an effective understanding of human behavior one must enter the mind of the individual which is rarely value-free in content or motivation. A study by Schiffman and Kanuk (1997) observed that principal positivist methods often involve

statistical analysis in order to generate findings and to test hypotheses. This study was anchored on the positivist philosophy of science to achieve its objectives. The study sought to verify the propositions through empirical tests by operationalizing variables in the conceptual framework to allow for measurement and enough sample was selected for purposes of generalizing the results.

3.2.2 Research design

The several studies and authors define research design differently. For example, Kothari, (2008) define research design as a plan and structure of investigation so conceived as to obtain answers to research question and to control variance. Furthermore, Bryman and Bell, (2011) assert that, research design is, a 'blue-print' that enable the researcher to come up with solutions to problems and guides in the process of collecting, analyzing, and interpreting the data and observations.

The research design functions to articulate the strategies and tools by and through which empirical data will be collected and analyzed. Additionally, it serves to connect research questions to the data and articulates the means by which the research hypotheses shall be tested and research objectives satisfied Cooper and Schindler (2011). In this regard, Cooper and Schindler (2011) argue that the research design has to (1) articulate the research questions (2) identify relevant data (3) determine data collection methods (4) select method by which data will be analyzed and verified.

The research question is "what is the influence of strategic management practices on the performance of sugar industry in Kenya?" This study will adopt a descriptive research design. It represents perceptions of employees at three different levels i.e. top management, middle management and lower management and will provide a snapshot of their views as they exist in the sugar industry (Saunders et al., 2000). According to Cooper and Schindler (2011), a descriptive study is concerned with finding out the what, where and the how of a phenomenon. This study therefore generalized the findings to the sugar Companies in Kenya. The study was based on quantitative data collected by questionnaire. Qualitative information was used to a limited extent in order to gain a

better understanding and provided more insightful interpretation of the results from the quantitative study on the challenges of strategy implementation in sugar companies in Kenya.

3.3 Study Population

A population is the aggregate of all cases that conform to the same designated set of specifications (Paton, 2002). Other authors Nachiamas, (2008), Mugenda & Mugenda, (2008) and Kothari, (2004) define population as the aggregate of all cases that conform to designated set of specifications and refer to the entire group of individuals, events or objects having a common observable characteristic. Borg, Gall and Gall (2007) specify two types of population as target and accessible population. Target population consists of all members of a real or hypothetical set of people, events or objects from which a researcher wishes to generalize the results of their research. On the other hand, accessible population consists of all the individuals who realistically could be included in the sample. According to Ngechu (2008), a population is a well defined or set of people, services, elements, events, group of things or households being investigated. According to records at the Kenya Sugar Directorate, one of the directorates at AFFA, there are up to 11 sugar companies registered with the authority. According to Cox (2010), target population is the entire set of units for which the study will be used to make inferences. This study targeted top, middle and lower level managers in the target population. This population was justified because it is the one mandated with carrying out strategic planning and execution decisions in regard to the sugar companies in Kenya. The target population in statistics is the specific population about which information is desired.

3.4. Sampling frame

The sampling frame describes the list of all population units from which the sample was selected (Cooper & Schindler, 2011). The sampling frame is a physical representation of the target population and comprises all the units that are potential members of a sample (Kothari, 2004). In order to meet the expectation of the sampling theory that all possible

units in the target population be identified to enable probability for selecting a random combination to be calculated, a sample of responding firms was purposely drawn from the 11 sugar companies registered with the Sugar Directorate under AFFA, Ministry of Agriculture as at June 2015. The sugar Companies were those located in Western Kenya. According to the Sugar Directorate statistics, structurally, senior management in most Sugar Companies is made up of the Executive Committee of the company whose head is the Chief Executive Officer (CEO) who is answerable to the board of directors. The main departments are: Agriculture, Factory, human resource, Commercial (marketing), Information and Communication Technology, Legal Affairs, Supply Chain, Corporate Affairs & Strategy, Risk and Compliance, and Finance and Administration. The Sugar Directorate, as at June 2015 summarized top management count into five departments: Agriculture, Factory, Human Resources, Finance & Administration and others (ICT, Corporate Affairs and Strategy, Legal, Risk and Compliance). The top, middle and lower management leadership was the target respondents distributed as follows:

Table 3.1 The target population of the study

Category	**Target population**	**Percentage**
Agriculture	56	31.1%
Factory	75	41.7s%
Human Resources	11	6.1%
Finance and Administration	27	15%
Others	11	6.1%
Total	180	100

Source: Sugar Directorate, AFFA, Ministry of Agriculture (2015)

3.5 Sample size and sampling technique

A sample is a representative of the total population nominated for analysis (Kothari, 2004; Bryman & Bell, 2011). Borg, Gall and Gall (2008) defines a sample as a carefully selected sub group that represents the whole population in terms of characteristics. Orodho (2003) observes that sampling is a procedure of selecting a representative of a population on which research can be conducted and inferential conclusion from the study can be applied in general terms to the entire population. Borg, Gall and Gall (2008) define sampling as a process of selecting a number of individuals in such a way that they represent the large group. Generally, the larger the sample, the more likely the scores on the variables will be representative of the population scores. However, researchers have developed a rule of thumb in determining sample size. For example, Borg et al., (2008) recommends a minimum of number of 15 in experimental research, 30 in correlation research and a minimum of 100 in survey research.

Similarly, a statistical technique provided by Mugenda and Mugenda (2008) suggest that a sample of 10% is sufficient to represent a population.

In this study, the following formula was used to determine the sample size (Sekaran, 2006; Cooper & Schindler, 2006; Mugenda & Mugenda, 2008).

` $n = (Z^2pq)/d^2$

Where:

n= the desired sample size when the target population is greater than 10,000

z= is the standardized normal deviation at a required confidence level. In this study this will be placed at 95% which is 1.96.

p= is the proportion in the target population that assumes the characteristics being measured. In this study, a 50:50 basis is assumed which is a probability of 50% (0.5)

q= The balance from p to add up to 100%. That is 1-p, which in our case was (1-0.5)=0.5

d= is the significance level of the measure, that is at 95% confidence level the significance level is 0.5.

Due to unavailable estimate of the proportion in the target population, the target proportion that is assumed to have the characteristics of interest of the population was placed at 50% that is p=0.5 (Kothari, 2004). This proportion is based on personal judgment and this argument is proposed by other scholars Kothari, (2004) and Fisher, (1995) and it allows the researcher to trade-off between the cost and benefit of large and small samples in research. The selected margin of error was 10%. Lower proportions of p will lead to bigger samples and in effect may make the research cumbersome to carry out (Sekaran, 2006; Cooper & Schindler, 2011). This proportion was arrived at after an extensive consideration of the cost and time to be spent in the research. With higher proportions, a more realistic sample population, which is neither too high nor too low for the study was established and vice versa, (Shenoy et al., 2002; Fisher 1995; Mugenda & Mugenda, 2008).

The researcher also considered the fact that a smaller sample would lead to a bigger sampling error despite it being cheap, as compared to a larger sample which would lead to a smaller sampling error and precision required in research but costly (Sekaran, 2006; Cooper & Schindler, 2011). The study avoided large samples that could lead to inefficiency in terms of data collection while at the same time guarding against negative effect of small samples (Shenoy, et al., 2002).

According to Mugenda and Mugenda (2008), the following formula is recommended and was used to determine the sample size:

$$n=(z^2pq)/d^2$$

$n=(1.96^2 X 0.5x0.5)/0.5^2$ = 384, sample size for target population greater than 10,000.

In this study the target population was less than 10,000, i.e. 180, thus the sample size adjusted as follows using the formula suggested by (Mugenda & Mugenda, 2008).

$n_f = n/(1+n/N)$

where:

n_f= the desired sample size when the population is less than 10,000

n= the sample size when the target population is less than 10,000

N = The estimate of the population size (180 in the case of the current study).

Therefore, by applying the formula;

n_f= 384/(1+384/180)

n_f =122

Cooper and Schindler (2011) and Mugenda and Mugenda (2008), a sample of at least 10% of the population is usually acceptable in a study. They also attest that in quantitative research mathematical procedures can be used to make precise estimates when hypotheses need to be tested and statistical power analysis will be involved. According to Saunders (2009), the sample size is almost a matter of judgment rather than calculation. From this discussion, a sample size of 122 senior management leaders constituting 68% of the population was targeted for investigation. This was stratified by department and by company as below:

Table 3.2 The sample size and its distribution

Dept stratum	Population	Sample (a % of n_f)
Agriculture	56	38
Factory	75	48
Human Resources	11	10
Finance and Administration	27	13
Others	11	12
Total	**180**	**122**

The sample is further stratified by the three sugar companies as follows:

Table 3.3 Sugar companies

Company	Total management	Total sample
Nzoia	55	40
Mumias	77	48
Sony Sugar	48	34
Total	180	122

NB: The staff count is based on Ministry of Agriculture, AFFA Sugar Directorate statistics as at June 2015.

3.6 Data collection instruments

According to Oso and Onen (2011), data is anything given or admitted as a fact on which a research inference will be based. Cooper and Schindler (2011) and Mugenda and Mugenda (2012) defined data collection instruments as the tools and procedures used in the measurement of variables in research. The main objective of this study was to establish the challenges of strategy implementation in sugar companies in Kenya. The study analyzed primary collected from the respondents in the selected sugar companies of Mumias, Nzoia

and South Nyanza. The study relied on questionnaires, supplemented with interview guides in the collection of the primary data.

3.6.1 Questionnaires

Various scholars point out a questionnaire as a collection of questions or statements that assesses attitudes, opinions, beliefs, biographical information or other forms of information (McMillan & Schumacher, 2001; Oso & Onen, 2011; Cooper & Schindler, 2011; Burns & Burns, 2012). According to researchers, questionnaires are preferred for primary data collection because they are less costly, especially when the population is large and widely spread geographically. They ensure anonymity, permit use of standardized questions and ensure uniform procedures. It also ensures that respondents who are not easily approachable are reached conveniently. Besides, questionnaires can provide time for respondents to think about responses and are easy to administer and score (Peil, 1995; Mugenda & Mugenda, 2004; Kothari, 2011). Therefore it was appropriate to use questionnaires as important tools for collection of primary data due to their many positive attributes. The method was useful in the interest of time and given the wider spread of the sugar companies involved in the study, given their geographical distance from Busia Town where the researcher was operating from. For example South Nyanza sugar Company is nearly 300km from the researcher's duty station.

According to Zikmund (2010), Likert scales are widely used in business research and that's why the study adopted this style. Likert scale types of questions were designed in the questionnaire and were balanced between the quantity and the quality of data to be collected. Following the procedures used by other researchers (Sim & Killough, 1998; Ittner & Larker, 1995; Ahire & Drefus, 2000; Gakure, 1995), the questionnaire survey asked respondents to indicate their factual information and perception based on the Likert scale. Most of the responses was anchored on a five point scale which ranges from strongly agree to strongly disagree (a scale of 1-5, where, 5= strongly agree, 4=Agree, 3= Neutral, 2= Disagree and 1= Strongly disagree).

3.6.2 Interview Guide

According to Kothari (2011) and Cooper and Schindler (2011), the interview method of collecting data involves asking questions, listening to individuals and recording their responses. The method can be used through personal or telephone interviews (Kothari, 2011). The main advantages of the self administered interview method are; more and detailed information can be obtained, the interviewer is able to overcome any form of resistance, the method can be made to yield an almost perfect sample of the general population, there is greater flexibility under this method as the opportunity to restructure questions is always available to the researcher, the researcher can usually control which respondents answered the questions and personal information also obtained easily under this method.

This study, also, used the self administered interview questions in the primary data collection, to supplement data collected through questionnaires owing to the advantages discussed above. The interview guide questions were mainly used on a select number of respondents to clarify information collected through questionnaires. Information collected through this method greatly enhanced the drawing of inferences and conclusions relating to the study.

3.7 Data collection procedure

The researcher received a letter from CES department requesting whoever concerned to grant the researcher access to their institutions. Armed with this letter from the University, the researcher wrote a letter to the HR Director for each of the Sugar Companies requesting for permission to administer questionnaires. This permission was granted by each of the three sugar companies. The researcher was connected to the training department to guide the distribution of questionnaires to selected managers in each department. The researcher used questionnaires to collect primary data. The questionnaires were self-administered and distributed to the respondents and reasonable time given before they were collected. The completed questionnaires were sorted and cleaned of errors. Secondary data was collected by a study of records and documents in

various departments in the sugar companies; data that was collected concerned written records about variables under study and reports with documentary evidence.

3.8 Pilot study

The data collection instrument was pilot tested with 20 randomly selected managers which constituted 20% of the sample population. This was to test the reliability and validity of the instruments. The survey questionnaire was modified in line with the comments received from the respondents.

According to Blumberg, Cooper and Schindler (2011) a pilot test is aimed to show the duration it takes to complete the questionnaire, confirm the clarity and logical flow, confirm if the questions are clear and short, and to test the questionnaire credibility and should constitute at least 1% of the sample size. The proposed pilot test was within the recommendations. The respondent for the pilot were requested to complete the questionnaires in a period of three days giving the researcher sufficient time to make any arising amendments. The results of the pilot test were used to develop a more reliable and effective data collection tool. The data collected was converted into numerical codes to facilitate the determination of reliability. The results of the pilot testing however were not included in the final analysis.

3.9 Reliability and validity.

In order to ensure validity and reliability, the questionnaires composed of carefully constructed questions to avoid ambiguity and in order to facilitate answers to all the research questions. The questionnaires were pretested before the actual study Kothari, (2004), after which corrections and adjustments were done to ensure reliability.

3.9.1 Reliability

Reliability is the extent to which results are consistent over time and an accurate representation of the total population under study and if the results of a study can be

reproduced under a similar methodology, then the research instrument is considered to be reliable (Orodho, 2003).

Reliability concerns the extent to which an experiment test or measuring procedure yields the same results on repeated trials and Leedy (2004) suggests that, to be reliable, each instrument must consistently measure the factors for which they were designed to measure. In research involving questionnaire data the internal consistency indices of reliability are useful (Hatcher, 1994). One of the most widely used indices of internal consistency in Cronbach's coefficient alpha. The Cronbach's coefficient alpha ranges from 0 to 1 and it's a measure of reliability not a statistical test, (Tavakol & Dennick (2011; Sekaran, 2006).

This study used the Cronbach alpha (Neuman, 2003) to assess the construct reliability that is the extent of measurement error in a measure. Cronbach's coefficient alpha is used as a measure of reliability in relation to the Operationalization of the constructs.

Cooper and Schindler, (2001) identify three types of reliability referred to in quantitative research, which relates to; the degree to which a measurement, given repeatedly, remains the same as the stability of a measurement over time; and the similarity of measurements within a given time period. Mugenda and Mugenda, (2008) adheres to the notions that consistency with which questionnaire items are answered or individuals scores remain relatively the same can be determined through the test-retest method at two different times. This attribute of the instrument is actually referred to as stability. If we are dealing with a stable measure, then the results should be similar. A high degree of stability indicates high degree of reliability, which means the results are repeatable.

According to Klein and Ford (2003) a problem may occur with the test-retest method which can make the instrument, to a certain degree, unreliable. The scholar explains that test-retest method may sensitize the respondent to the subject matter, and hence influence the response given. Similarly, Cooper and Schindler, (2011) note that when respondents answer a set of test items, the scores obtained represent only a limited

sample of behaviour. As a result, the scores may change due to some characteristic of the respondent, which may lead to errors of measurement. These kinds of errors reduced the accuracy and consistency of the instrument and the test scores. Hence, it is the researchers' responsibility to assure high consistency and accuracy of the tests and scores (Kothari, 2004). To measure the reliability of the gathered data, Cronbach's alpha was applied. Cronbach's alpha is a coefficient of internal consistency. Suppose that we assume a sum of K components (K-items or test lets) $X=Y_1+Y_2+\ldots\ldots Y_k$. Cronbach's α

$$\alpha = \frac{K}{K-1}\left(1 - \frac{\sum_{i=1}^{K}\sigma_{Y_i}^2}{\sigma_X^2}\right)$$ ……*Equation 1*

where σ_X^2 the variance of the observed total test scores, and $\sigma_{Y_i}^2$ the variance of component *i* for the current sample of persons.

If the items are scored 0 and 1, a shortcut formula is

$$\alpha = \frac{K}{K-1}\left(1 - \frac{\sum_{i=1}^{K}P_iQ_i}{\sigma_X^2}\right)$$ ……*Equation2*

where P_i is the proportion scoring 1 on item *i*, and $Q_i = 1 - P_i$. This is the same as KR-20.

Alternatively, Cronbach's α can be defined as

$$\alpha = \frac{K\bar{c}}{(\bar{v} + (K-1)\bar{c})}$$ ……*Equation 3*

Where K is as above, $\bar{v}$ the average variance of each component (item), and $\bar{c}$ the average of all covariances between the components across the current sample of persons (that is, without including the variances of each component).

A commonly acceptable rule of thumb for describing internal consistency using Cronbach's α is as follows.

Table 3.4 Internal consistency- Cronbach's alpha

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent (high stakes testing)
$0.7 \leq \alpha < 0.9$	Good (low stake testing)
$0.6 \leq \alpha < 0.7$	Acceptable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

However, greater number of items in the test can artificially inflate the value of alpha and a sample with a narrow range can deflate it, so this rule of thumb should be used with caution.

A scale is considered to have a good value if it has alpha value greater than 0.6 (Zickmund, 2003).

In order to refine the scale, the researcher will start with computing coefficients (Cronbach's alphas) in line with Churchill's (1979) recommendations. Due to the multidimensionality of the independent variables' constructs, Cronbach alpha will be computed separately for the determinants of each variable to ascertain the extent to which the items making up each variable shared a common core. Cronbach alpha was generated using SPSS version 20 as explained in section 3.3 and the results are indicated in chapter four of this thesis.

3.9.2 Validity

Both reliability and validity are important issues in the measurement of research variables both concerned with the accuracy of measures or indicators, though it is virtually impossible to achieve perfect reliability and validity (Neuman, 2003).

Validity is the ability of a test to measure what it is supposed to measure and are applied to test whether the questionnaire measures what it aims to measure (Zikmund, 2003). Validity was assessed based on the response from the pilot test. In order to reduce the threat to content validity, experts in the area were asked to give their opinion on the instrument so as to judge the appropriateness. The expert's opinion confirmed to the study whether the content in depth and breadth were suitable to the study. Internal validity on control of extraneous variables was addressed by making the questions simple, straight forward and free from ambiguity. For external validity the model applied in this study was stratified random sampling to ensure heterogeneous representation of top, middle and lower management in the sugar companies and therefore giving credence to generalization of the study.

3.10 Data processing, analysis and presentation

Data analysis is a process of inspecting, cleaning, transforming, and modeling data with the goal of highlighting useful information, suggesting conclusions, and supporting decision making (Mugenda & Mugenda, 2008).

All the data collected through the questionnaires and key informants was edited for completeness and consistency to validate the initial field findings. Data entry was done in a designed SPSS version 20 template through variable definition files generated from the questionnaires.

Qualitative and quantitative data was analyzed using descriptive and inferential statistics. The same method was used to summarize the dependent variable as exhibited from the data collected from various managers.

Regression model was used to establish the influence of external environment, organizational culture, organizational structure, managerial skills and quality of workforce development on strategy implementation in selected sugar companies in Kenya, detailed in the conceptual framework. The equation for the relationship between the predictor variables and outcomes was expressed as follows:

$$Y=\alpha +\beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

The model for effect expressed as below:

Where:

Ys = Strategy implementation by Sugar companies in Kenya

α = Constant (Co-efficient of intercept)

β= shows the change in dependent variable for a unit change in the independent variable

X_1 = External Environment

X_2 = Organizational Structure

X_3= Organizational/Company culture

X_4= Managerial Skills

X_5= Quality of Workforce development (employee Training)

ε.= Error Term

β_1 ……. β_5= Regression co-efficient of five independent variables.

Kombo and Tromp (2011), indicate that data organization is a research is about the orderliness in data, which means putting data into some systematic format. Data analysis

refers to examining the data that has been collected and making deductions and inferences (Oso & Onen, 2011; Cooper & Schindler, 2011; Kothari, 2004; Mugenda & Mugenda, 2008; Kombo & Tromp, 2011). Data analysis involves uncovering the underlying structures, extracting important variables, detecting any anomalies and testing any underlying assumptions. It means scrutinizing the acquired information and making inferences.

This study collected and analyzed primary data which was keyed into excel table before subjecting it to meaningful analysis through SPSS version 20. The process involved the identification and correction of errors in the data (i.e. data cleaning), coding the data, storing it excel form. Data was coded and analyzed simultaneously using content analysis method. A list of key categories and themes for each variable was generated and this helped guide the nature of the integration needed for qualitative data processing. According to Cooper and Schindler (2011), this process involved reading the questionnaires, developing codes, coding the data and drawing connections between discrete pieces of data.

After the data had been coded and summarized, itt was then analyzed, synthesized and present the findings using statistical packages for social studies, SPSS ver. 20, software. Scatter plots and lines of best fit were fitted to demonstrate linear trends for each of the variables. Spreadsheets will be used to present the results in graphical form, i.e pie charts and bar graphs and also by using frequency tables.

To further achieve the objectives set forth in this study, several analytical tools were used. A correlation analysis was performed to determine if any variables (external environment, organizational structure, Organizational culture, managerial skills) were be correlated. The Pearson correlation coefficient (r) will be used to identify the magnitude and the direction of the relationship between variables. For example, the value can range from -1 to +1, where a +1 indicates a perfect relationship, 0 indicating no relationship, and -1 indicating a perfect negative relationship or in other words reverse relationship, if

one grows large, the other gets smaller. The Analysis of Variance (ANOVA) was used to test the goodness of fit of the models and the significance of the relationship between dependent and independent variable based on 5% level of significance.

Multiple-linear regression was appropriate method of analyzing the relationship between the multiple variables requiring simultaneous comparison. The objective of multiple regression analysis is to predict the changes in the dependent variables in response to changes in the independent variables.

Multiple linear regression analysis was also used to predict the value of influence of the independent variables on the dependent when variable was applied. Apart from the partial multiple regressions of the model, a test of the overall model was considered important in justifying the proposed study models.

Therefore the study research hypotheses adopted two approaches, one is testing the significance of the relationship and two, the goodness of fit of the relationship. The hypotheses were tested within the 95% level of confidence interval or 5% level of significance. Table 3.5 shows the operationalization of the study variables.

3.9.1 Factor Analysis

According to Bramble and Mason (1997) and Besthoud (2000), the common method variance (CMV) is the amount of spurious correlation between variables that is created by using the same method like a questionnaire to measure each variable. Common Method Variance may lead to erroneous conclusions about relationships between variables by inflating or deflating findings. In order to control for common method variance, factor analysis was carried out on all items in each variable and all items with factor loading of below 0.4 were dropped from the regression analysis calculations. In this study all the items had a factor loading of more than 0.4, with the least having loading of 0.402 and hence retained.

3.9.2 Normality Test

The normality test was to assist in checking if the data is normally distributed. In order to do this one can construct histograms and look at the distribution. The histogram will include a line that depicts what shape would look like if the distribution is truly normal and can eyeball how much the actual distribution deviates from this line (Moore & McCabe, 2003). Another method to determine the normality graphically is to use the output of a normal Q-Q plot. If the data is normally distributed, the data points will be close to the diagonal line. If the data points stray from the line in an obvious non-linear fashion, the data are not normally distributed. Should a researcher be uncertain of being able to correctly interpret the graph, numerical methods can be used instead because it can take a fair bit of experience to correctly judge the normality of dta based on plots. There are two well known tests for Normality, i.e. Kolmogorov-Smirnov Test and the second is the Shapiro-Wilk Test. For sample sizes which are small i.e.<50, the Shapiro-Wilk Test can handle it, although it can handle sample size of upto 2000. If the Sig.value of the Kolmogorov-Smirnov Test or Shapiro-Wilk Test is greater than 0.05, the data is normal while if the Sig.value is below 0.05, then the data significantly deviates from the normal distribution, (Cohen, 1992). The study utilized the Kolmogorov-Smirnov Test and it indicated that the data was normally distributed as seen in chapter four.

3.9.3 Multicollinearity

Multicollinearity refers to predictors that are correlated with other predictors. Multicollinearity occurs when the model includes multiple factors that are correlated not just to the response variable but also to each other. According to Tabachnik and Fidell (2007), muticollinearity increases the standard errors of the coefficients. Increased standard errors in turn mean that coefficients for some independent variables may be found not to be significantly different from 0. This means that by overinflating the standard errors, Multicollinearity makes some variables statistically insignificantly when they should be significant. Without Multicollinearity, those coefficients might be significant. Pearson’s correlation analysis was used to test for the existence of

Multicollinearity. A Pearson's Correlation coefficient of 0.7 is recommended indicator for Multicollinearity, which also indicates variable relatedness. Variance inflation factor (VIF) was also used to confirm Multicollinearity. If the VIF for any variable is around 10 or greater than 10, there is collinearity associated with that variable and must be removed from the regression model, (Cox, 2006). In this study there was no collinearity exhibited.

3.9.4 Autocorrelation

In order to detect the presence of autocorrelation between the variables in the study a Durbin-Watson Test was conducted. Autocorrelation is the correlation between members of the series of observations ordered in time or space, Gujarat (2009) and Cameron (2005). The Durbin-Watson statistic varies from 0 to 4 where a value near 2 indicates non-autocorrelation while a value closer to 0 shows autocorrelation. A value closer to 4 indicates negative autocorrelation. In this study the value was closer to 2 and we conclude that there was no autocorrelation.

Table 3.5 Operationalization of the Study Variables

Variable	Indicators	Measurement
Personal information and introduction	Asking background of respondent and the firms, educational background, Age, gender, department, length of service	Ordinal scale of 1-5
Strategy implementation	Opinion on Degree of achievement of strategies	Percentage 1=1-20%; 2=21-30%; 3=31-50%; 4=51-57%; 5=76-100%
Performance	The extent of business management and its profitability and return on assets, taxes	The study will use of ordinal scale 1-5, where 1=Not at all; 2=Small extent; 3=Moderate; 4=Large extent; 5=Very large extent
External Environment	Industry forces, changes in political, economic, social and technology, devolution, competition, Sugar importation, corruption	This will be measured on a Likert scale indicating the degree of agreement.
Organizational Structure	Span of control, Centralized vs decentralized, Feedback, Processes, coordination of functional units, reporting and monitoring	This will be measured by ordinal scale of 1-5 indicating degree of agreement as 1.Strongly agree 2. Disagree 3. Undecided 4. Agree 5. Strongly agree.
Organizational culture	Habits, norms, beliefs, innovation, change management (resistance to change),	This will be measured by ordinal scale of 1-5 indicating degree of agreement as 1.Strongly agree 2. Disagree 3. Undecided 4. Agree 5. Strongly agree.
Managerial skills	Leadership, accountability, integrity, Communication, meetings,	This will be measured by ordinal scale of 1-5 indicating degree of agreement as 1.Strongly agree 2. Disagree 3. Undecided 4. Agree 5. Strongly agree.
Quality of employee training	Training needs assessment, workforce development plan, evaluation of training, recruitment and selection	This will be measured by the degree of their agreement with statement developed.

CHAPTER FOUR
RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents an indepth analysis and results within the framework of the study objectives, research questions and the hypothesis. The study adopted different statistical appraoches to examine the challenges of strategy implementation in sugar in Kenya. In this study, all constructs were adopted from pre-existing scales found in the literature. In addition to descriptive statistics, the reliability among the multiple measures of the variables that comprise this study was measured using Cronbach's alpha coefficient generated by statistical packages for social sciences (SPSS) version 20. According to Hair, Anderson, Tatham, and Black, (2005) and Cronbach, (1987), Cronbach's alpha is a measure of consistency and checks if the questions of the questionnaire were understood and if the data are minimally reliable.

Administration of data collection tools

To carry out this study, administration of questionnaires was done with the support of four research assistants who were competitively recruited by the researcher, trained and deployed on questionnaire administration and later deployed to the three sugar . Data was collected from sugar registered with Agriculture Food and Food Authority, Sugar Directorate as at 30th June, 2014. The sample of the study consisted of 3 sugar companies while the target population was 122 top, middle and lower level managers. Due to the busy schedules of the managers, they filled out questionnaires at their own convenience and once they were filled, the questionnaires were collected by the researcher.

4.2. Descriptive Statistics

4.2.1 Response rate

A total of 111 responses were received, translating into 90.98% response rate. The response rate was considered appropriate because a response rate of more than 75% is considered good according to Sekaran, (2008), also supported by Saunders, Lewis and Thornhill (2009) csuggest a responnse rate of 30-40% as appropriate while Mugenda and Mugenda (2008) consider a response rate of more than 50% be adequate.

Table 4.1 Response rate

Category	Frequency	Per cent
Questionnaire distributed	122	100
Responded	111	90.98
Not responded	9	9.02
Total	122	100

Pilot study was carried out to pre-test the tools for data collection and in this regard 20 questionnaires were given out to the managers of two sugar companies not participating in the study. All the questionnaires were filled and returned for analysis.

4.2.2 Gender distribution

The study sought to find the gender of the respondents. Table 4.2 indicates the ditribution of the respondents by gender. Majority (64.9%) of the respondents were male while the rest (35.1%) of the respondents were female. The distribution represents a fair gender balancing, an indication of successful efforts of various gender mainstreaming campaigns by various stakeholders.

Table 4.2 Distribution of respondents by gender

Gender	Percentage
Male	64.9
Female	35.1
Total	100

4.2.3 Department worked by the respondents

The study sought to determine the department where the respondents worked. Table 4.3 indicates the results for where the respondents worked.

Table 4.3 Department worked by the respondents

Department	Frequency	Percent
Finance	20	18.0
Human Resource	22	19.8
Factory	11	9.9
Agriculture	26	23.4
Communication	8	7.2
Operations	9	8.1
CEO	1	.9
Transport	4	3.6
Marketing	10	9.0
Total	111	100.0

Majority of the respondents in agriculture department at 23.4%, followed by Human resources att 19.8%, then Finance had 18.0%, Factory 9.9%, Marketing 9.0%, Operations 8.1%, communications 7.2, Transport 3.6% and finally the Company CEO, 0.9%. This is fair distribution given that strategy planning isn undertaken by each subunit which must set goals for their department. A company chief executive officer was also one of the respondents an indication that the study was well received and they gave it their precious time. Its also important to note the sugar have the highest number of employees and managers in the agriculture department because its aan agricultural sector.

4.2.4 Job position of respondents

The unit of observation for this study was the top, middle and lower level managers in the sugar in Kenya as indicated in the methodology, this question sought to establish the job position of the respondents in the organization. Majority (55.9%) of the respondents were middle managers while lower level managers was 35.1% and top management was 9.0%. Table 4.4 gives a summary of the postion of the respondents. This was a very important profile distribution for this study since the respondents were the right people with adequate information relevant to this study hence best placed. Managers take responsibility for strategy execution, Bossidy, Charan and Burck (2011) and Mauborgne (2015). The distribution of the respondents is quite normal and it was fair representation of management.

Table 4.4 Job position of respondents

Position	Frequency	Percentage
Top management	10	9.0
Middle management	62	55.9
Lower management	39	35.1

4.2.5 Level of education of respondents

The respondent's level of education was sought and majority (41.3%) of the respondents indicated that they have at least a bachelor's degree level of education while sizeable (26.1%) possess a higher degree at postgraduate level (Table 4.5). However, 8.1% of the respondents had a certificate level of education and 24.3% had Diploma level of education. This is highly expected since the respondents are at different management level (top, middle and lower) where the skills, knowledge and competencies needed is supposed to be high. This indicates that the respondents were well educated and quite informed and therefore furnished this study with better information which added value.

Table 4.5: Level of education of respondents

Education Level	Number	Percentage
Post graduate	29	26.1
Bachelor's degree	46	41.3
Diploma	27	24.3
Certificate	9	8.1
Total	111	100

4.2.6 Working experience of respondents

This question sought to investigate the number of years each respondent had worked in the company. On average nearly half (49.5%) of the respondents had worked for more than 10 years with their companies. This shows a high degree of institutional memory and commitment to their companies. Majority (27.9%) of the respondents had a working experience of more than 20 years, between 16 to 20 years, 10.8%, between 11 to 15 years, 10.8%, between 6 to 10 years, 23.4%, between 3 to 5 years 19.8% while 7.2% had

less than 2 years of experience as shown in table 4.5. This means that the respondents had adequate working experience with the sugar companies and therefore they possess the necessary knowledge and information which was considered useful for this study. Table 4.5 indicates the years of work experience.

Table 4.6 Working experience in years of respondents

Experience in years	Frequency	Percentage
Less than 2 years	8	7.2
3 to 5 years	22	19.8
6 to 10 years	26	23.4
11 to 15 years	12	10.8
16 to 20 years	12	10.8
Over 20 years	31	27.9
Total	111	100

4.2.7 Age of the respondents

The study sought to find out the age of the respondents. Figure 4.1 indicates the distribution of the ages of the respondents.

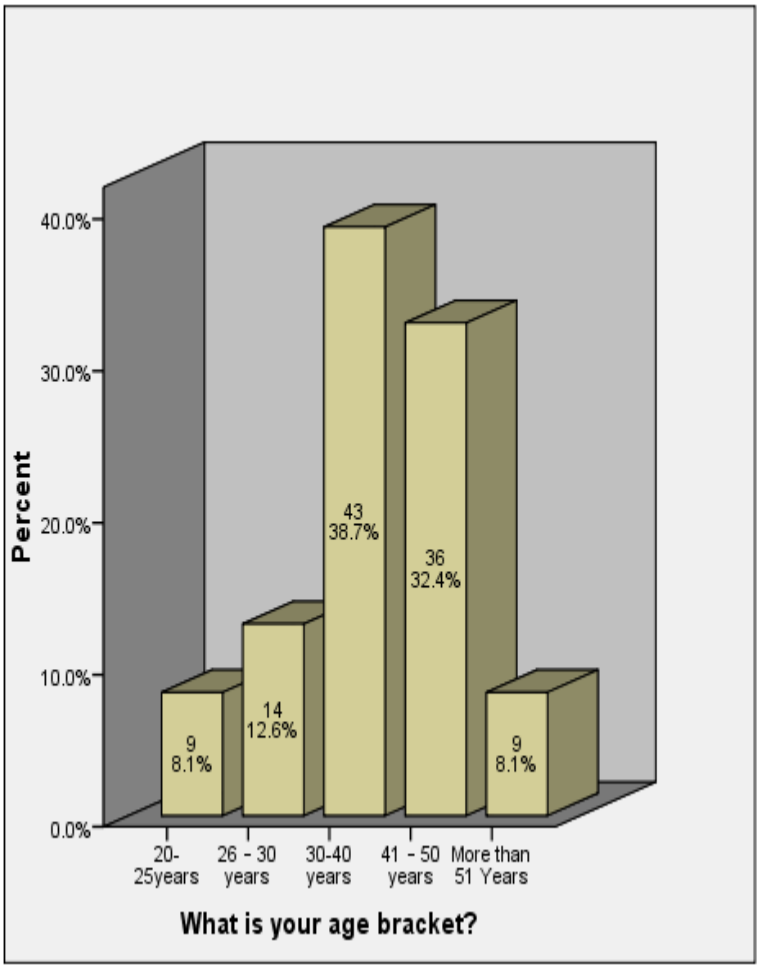


Figure 4.1 The age of the respondents in years

Majority (38.7%) of the respondents were between the age brackets of 30-40 years, while 32.4% were between 41 to 50 years, while only 8.1% were aged more than 51 years old. The young generation is also represented with 8.1% of the respondents aged between 20 to 25 years and 12.6% aged between 26 to 30 years. This represents a good distribution that adds value to the study.

4.3 Reliability and validity tests

4.3.1 Cronbach's alpha test

The Cronbach's alpha coefficients were used to check on the reliability among multiple measures and the internal consistency of the variables of the study. Cronbach's alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another. It is computed in terms of inter-correlation among the items measuring the concept. The closer Cronbach's alpha is to 1, the higher the internal consistency (Sekaran, 2010). The coefficient alpha is an appropriate measure of variance attributable to subjects and variance attributable to the interaction between subjects and items (Zikmund et al., 2010). Accordingly the Cronbach's alpha was used as a measure of internal reliability as indicated in Table 4.1.

From table 4.1 above, strategy implementation had Cronbach's alpha of 0.946, External environment had 0.910, organizational structure had 0.911, and organization culture 0.901, managerial skills 0.873 and quality of workforce development had a Cronbach's alpha of 0.963.

Table 4.7: Reliability test results

Variable	Cronbach's Alpha	Number of items
Strategy implementation	0.946	21
Performance	0.886	11
External environment	0.910	18
Organizational structure	0.911	10
Organizational culture	0.901	12
Managerial skills	0.873	11
Quality of employee development	0.963	11

According to Zikmund (2010), a Cronbach's alpha of 0.60 is a minimum acceptable level and from the results of this study, all the Cronbach's alpha coefficients are greater than 0.6. According to Zinbarg (2005), an alpha coefficient greater than .075 indicates that the gathered data has a relatively high internal consistency and could be generalized to reflect the opinion of all the respondents in the target population. Based on this, all the variables had acceptable levels of Cronbach's alpha since they all exceeded 0.75, indicating a high internal consistency. Data reliability played an important role towards generalization of results to reflect the true characteristics of the study problems, i.e. challenges of strategy implementation in selected sugar companies in Kenya.

Tavakol and Dennick (2011) argued that a high alpha coefficient does not always mean a high degree of internal consistency. This is because alpha is also affected by the length of the study i.e. the number of items or questions contained in the study. The scholars stated that "to increase alpha value, more related items testing the same concept should be added to the study"

According to Sekaran, (2008) reliability of a measure indicates the extent to which it is without bias and hence ensures consistent measurement across time and across the various items in the instrument.

4.3.2 Test for normality

The test for normality of Strategy Implementation, which is a dependent variable was done by use of Kolmogorov-Smirnov test. Given that H_0 and H_1, set $\alpha=0.05$, the rule is that reject H_0 if P-value is less than α else fail to reject H_0, where:

H_0: The data is normal

H_1: The data is not normal

Table 4.7 indicates that using the Kolmogorov-Smirnov Test of normality, Strategy Implementation data is normal since the P-value, 0.580 is above 0.05 and thus we fail to

reject the null hypothesis (H_0).The study therefore concluded that strategy implementation variable is normal in distribution and hence subsequent analysis could be carried out. Table 4.7 further shows that strategy implementation is approximately normally distributed with a mean of 40.0489, standard deviation of 12.30116 and the number of respondents were 111 represented by N=111.

In order to use Linear Regression Model, two conditions must be satisfied;

i) That the data must be normally distributed
ii) That the data has no outliers.

In this study, the dependent variable was normally distributed because the study was using Multiple Linear Regression Model, where the condition of normality must be satisfied as mentioned above, (Lapan, Quartaroli & Julia, 2012).

Table 4.8 One-Sample Kolmogorov-Smirnov Test

		Strategy Implementation
N	111	
Normal Parameters[a]	Mean	40.0489
	Std. Deviation	12.30116
Most Extreme Differences	Absolute	.074
	Positive	.054
	Negative	-.074
Kolmogorov-Smirnov Z	.778	
Asymp. Sig. (2-tailed)	.580	

a. Test distribution is Normal.

One way to make it very likely to have normal residuals is to have a dependent variable that is normally distributed (Shenoy & Madan, 1994). Figure 4.1 shows the normal QQ plot which indicates that the condition of normality for strategy implementation is satisfied. The Quantile-Quantile (Q-Q) plot is an excellent way to see whether the data deviates from other distributions but only interested in the normal distribution. The scatter plot shows the relationship between the actual observed values and what those values would be expected when the data is normally distributed.

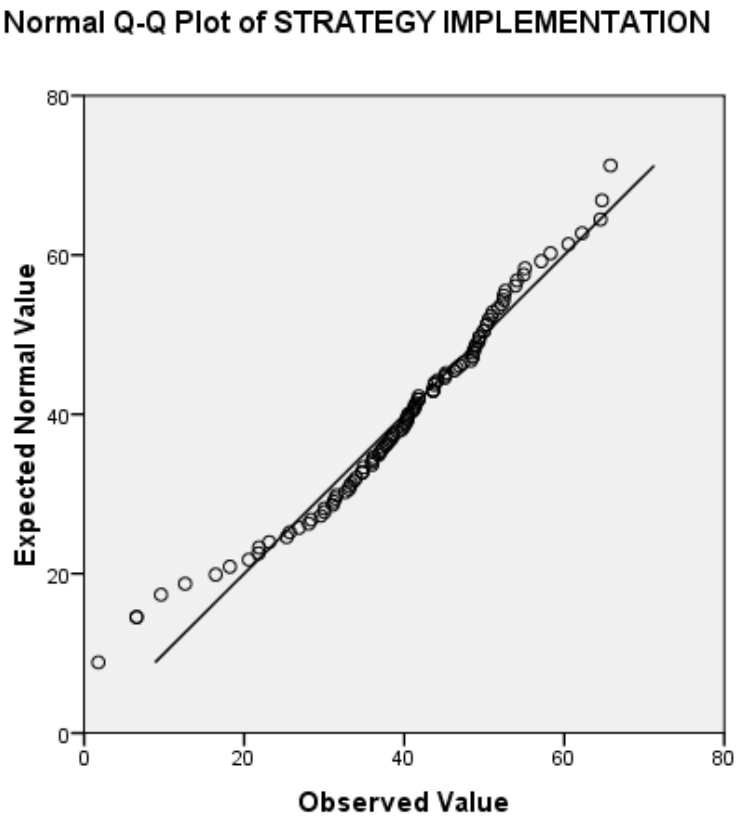


Figure 4.2 Normal QQ plot of strategy implementation

According to Shenoy and Madan (1994), for a variable to be normally distributed most of the points should lie on the theoretical quantile line. The theoretical quantile line of the data is fitted and from the normal QQ plot it indicates that the observed values versus the

expected normal values are randomly distributed along the line of best fit. This therefore indicates that the dependent variable is normally distributed as it's randomly distributed along the line of best fit.

Figure 4.3 indicates that the data has no outliers and it's the second most important reason for the use of linear regression.

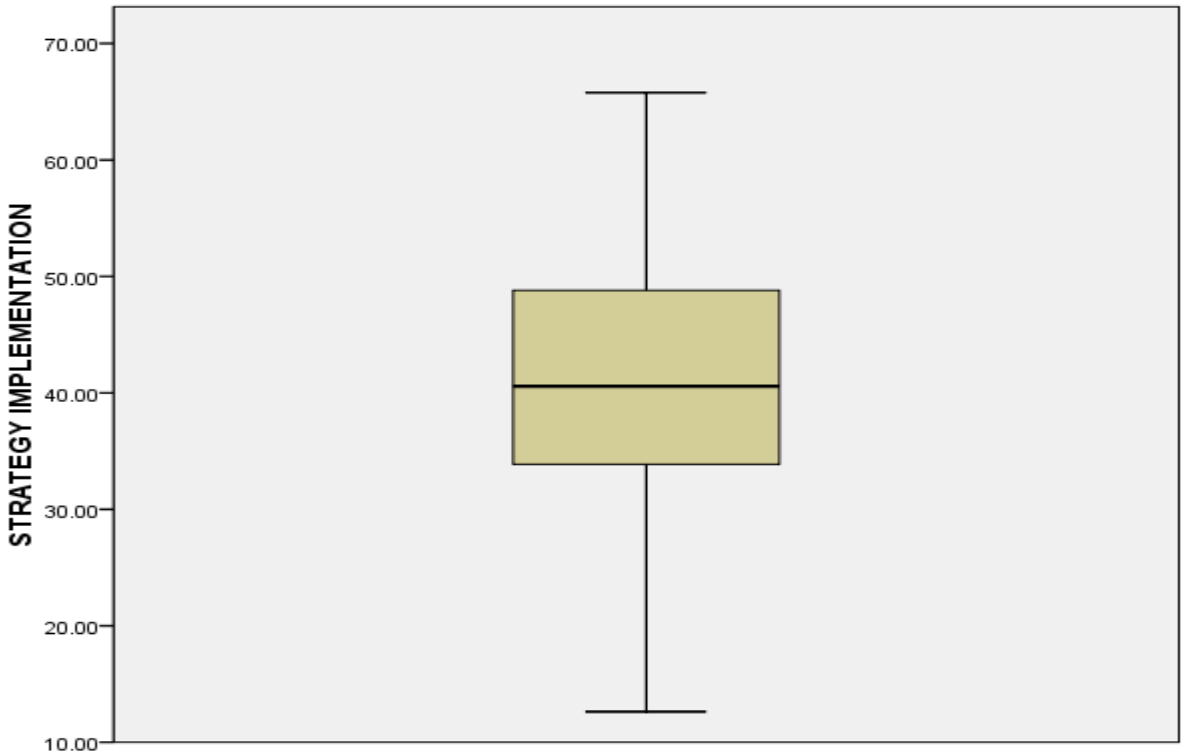


Figure 4.3 Checking for outliers (box plot).

Based on the data meeting criteria, it was qualified to use a linear regression model.

4.3.3 Multicollinearity

Multicollinearity can exist only in independent variables and it exists if the correlation is above 0.9. In this study the highest value is 0.739 and we can conclude that Multicollinearity does not exist between the independent variables.

4.3.4 Autocorrelation

The Durbin-Watson test is used to check serial correlation among variables. When error terms from different (usually adjacent) time periods (or cross-section observations) are correlated, we say that the error term is serially correlated. Serial correlation will not affect the biasness or consistency of Ordinary Least Squares (OLS) estimators, but it does affect their efficiency. Therefore to use a linear model, the dependent variable must be independent, which implies that that there should be no serial correlation among the observations. The Dependent Variable in this study was tested using Durbin-Watson Test and the results are indicated on Table 4.8

Table 4.9 Durbin Watson Test

Durbin Watson test	p-value
1.845	0.580

Auto-correlation test:

$H_{0:}$ ϒ = 0 The residuals are independent

H_0: ϒ > 0 The residuals are inter-dependent

P value >0.05 fail to reject null hypothesis

As indicated on table 4.6, the P-value = 0.580 and hence greater than 0.05, thus we fail to reject the null hypothesis and conclude that there is no serial correlation among variables under study and linear model is therefore justified i.e. there was no serial correlation among the observations.

4.4 Factor analysis results

The study adopted factor analysis in order to reduce the number of indicators (i.e. factors) under each study variable and retain the indicators capable of explaining the challenges of strategy implementation in sugar companies in Kenya. For factor to be retained it should have a loading greater than 0.4 and therefore used for further analysis. According to Hair (1998), the recommended factor loading is greater than 0.4. This is further supported by Tabachnik and Fidell (2007) who provided for more stringent conditions and cut offs starting from 0.32 (Poor), 0.42 (fair), 0.55 (good), 0.63 (very good) and from 0.71 (excellent).

Factor Analysis is an exploratory tool that was used to help the researcher make decisions on whether the variables under investigation explain the dependent variable, Field (2005). In this study, validity is concerned with whether the findings explained the challenges of strategy implementation in selected Sugar Companies in Kenya. To be able to determine this, factor analysis was carried out for all the variables in the study and the results had a factor loading greater than 0.4. Hakanen, Schaufeli and Ahola (2008) used the same method which has been widely accepted as reliable for factor analysis (Alexander & Colgate, 2000). A loading factor of 0.40 and above is considered acceptable and has been used by other researchers such as Hair, Anderson, Tatham and Black (1998) and Norman and Streiner (1994). The results show that all the factors related to strategy implementation, external environment, performance, organizational culture, organizational structure, managerial skills and the quality of employee training had a factor loading of 0.4 and above, the least was 0.873. Therefore, they were used in the subsequent analysis.

4.4.1 Factor analysis for external environment

There were 18 items for external environment; the highest had a factor loading of 0.833 while the lowest had 0.428 indicating that all the 18 indicators can be retained for further analysis in the study. Table 4.10 indicates the factor loading for each indicator.

Table 4.10: Factor analysis for external environment

Component	Factor
Adoption of new technologies in production and operations as a result of strategy initiatives	.833
Economic factors like inflation, exchange rates, economic growth has significant influence on our strategy implementation	.832
The rate of change of the sugar industry environment in Kenya for the last years is very fast	.813
The industry forces change fast and influence they way we implement our strategic initiatives	.810
There is a lot of political interference in the sugar sector which makes us adjust our strategies	.711
Our company utilizes environmental scanning during planning process	.705
The cost of doing business in Kenya always forces us to adjust our costs	.700
Unregulated sugar imports by Government agencies has forced us to recast our strategy	.680
Our firm consider competitors as important market players and sources of information and therefore opportunities for cooperation are explored	.679
Corruption and demand for bribes has influence on the implementation of our strategic initiatives	.649
Our company has a formal process for external environmental scanning	.636
The increasing usage of sugar sweeteners influencing our strategic initiatives	.634
The devolution of agriculture to the county governments according to the Constitution of Kenya 2010, the 4th Schedule, has influenced our strategy implementation	.602
The actions of our competitors have made us change our strategy in the last five years	.591
Entry of cheap sugar into the Kenyan market has influenced our change of strategy implementation	.494
The bargaining of our suppliers (farmers) influenced our strategic initiatives	.468
The demand for sugar is rising and cannot be met by domestic production	.436
Our competitors are a great threat to our future	.428

4.4.2 Factor analysis for organizational structure

The Cronbach's alpha for this variable was 0.911 and the factor loadings for each of the 10 items under this variable were found to be all greater than 0.4 with the highest being 0.844 and the lowest 0.52. This implied that all the items could be used for further analysis as indicated in Table 4.11.

Table 4.11. Factor analysis for organizational structure

	Component
	1
In our company upward and downward feedback between the top management and lower level employees is effective and hence facilitates strategy implementation	.844
All employees of our company including those at the lower level are aware of the goals of the company	.839
Within the company, each supervisor is responsible for a few subordinates only which ensures performance measurement for effective strategy implementation	.793
Our organization has linked its structure to strategy	.787
All the departments of the company should be allowed to develop their own unique reporting structures to enable strategy implementation	.780
Each department should have an officer in charge of strategy development and implementation	.755
Decision-making is mainly done by top management and managers must consult in most cases	.755
We hold frequent meetings (atleast weekly) to review strategy implementation progress	.715
The middle managers are better in strategy implementation as compared to senior managers	.672
Our organizational structure is too bureaucratic to facilitate strategy implementation	.529

4.4.3 Factor analysis for organizational culture

The Cronbach's alpha coefficient for this variable was 0.901. The factor loading for each indicator is tabulated in Table 4.12 and it indicates that the highest indicator had a factor loading of 0.914 while the lowest had a factor loading of 0.406, indicating that the 12 items were suitable to explain the variable and used for further analysis.

Table 4.12 Factor analysis for organizational culture

	Component
Our internal culture has always supported successful strategy implementation	.914
Our company welcomes new ideas and innovations that ensures strategy implementation	.864
Our company handles change with a sense of urgency	.854
Employees encouraged to practice core values of the company which enable strategy implementation	.793
Our employees uphold professionalism and integrity in carrying out their activities	.778
Our company has developed leadership principles that enable strategy implementation	.759
Our company traditionally celebrates milestones such as anniversary days, farewell parties, end of year recognition achievements, retiring employees among others.	.756
Our company has well developed norms, beliefs and habits	.668
All company official documents must have symbols such the company logo, company vision, mission and slogan	.622
Our internal policies and procedures are important in enabling strategy implementation	.564
Our firm has incentives and reward systems based on meeting strict, usually qualitative targets	.425
Our company is an equal opportunity employer and does not practice any form of discrimination such as based on gender, ethnicity, religion, race, region, marital status.	.406

4.4.4 Factor analysis for managerial skills

The Cronbach's apha coefficient for the 11 indicators under managerial skills was 0.873. The highest indicator had a factor loading of 0.813 while the lowest had a factor loading of

0.465 as indicated in Table 4.13. This implies that all the items can be used to explain managerial skills.

Table 4.13 Factor analysis for managerial skills

	Component
	1
Our company has leadership principles that guides the behavior of leaders and employees	.813
The top management has high levels of integrity and accountability that provides sound leadership in strategy implementation	.802
For any strategic change, company usually appoints a "change champion" to lead strategy implementation	.755
Our middle and lower management is aware of the company's strategy	.713
The level of education of top leadership affects strategy implementation success	.712
Our top management is aware of the company strategy	.683
Education qualification of employees functions as a strategic resource for understanding strategy implementation	.666
Our top management encourages regular feedback from employees on strategy implementation	.659
Our company identifies and retains talented employees	.563
My immediate supervisor is supportive of my work and achievement of company results	.513
I have a friend at work and we work as a team in meeting company goals for successful strategy implementation	.465

4.4.5 Factor analysis for quality of workforce development

Most of the items (ten out of eleven) had excellent factor loading of greater than 0.71 except one that was equally very good (0.67). The Cronbach alpha for this variable was 0.963 which was very high. Table 4.14 indicates the factor loading for each of the indicators. Therefore all the items were retained and they can explain the variable and hence used for further analysis.

Table 4.14 Factor Analysis for Quality of workforce development

	Component
	1
Our company allocates adequate resources to employee training which is good for strategy implementation	.922
The management holds frequent meetings with employees to explain issues of strategy implementation	.911
Our company carries job analysis to identify competencies needed for each job	.904
At the end of each training, the organization carries out training evaluation and feedback	.898
The company puts emphasis in training of the employees on skills necessary for strategy implementation	.889
Our company carries out Training Needs Assessment (TNA) before actual training	.885
Our company has a long term strategy for developing employee skills and knowledge	.880
The company provides awards and incentives to employees who excel in their roles	.867
The company uses professionals to carry out training of its employees	.790
Our employees are retrained whenever new changes emerge in the market place	.772
All new employees in our company undergo some form of orientation and induction	.679

4.5 Descriptive statistical analysis

Descriptive statistics were used to describe basic features of the data in the study since they provide simple summaries of the sample and the measures. Descriptive statistics such as frequencies and percentages were used to analyze the data on the challenges of strategy implementation in sugar companies in Kenya. The study had four independent variables, namely; external environment, organizational structure, organizational culture and managerial skills by quality of workforce development, while the dependent variable was strategy implementation. The findings for each of the variables will be presented.

4.5. 1 Strategy Implementation

4.5.1.1 Strategic planning

The respondents were asked whether their company develops strategic plans, as business units, operational units or corporate strategy. Table 4.15 indicates that 95.49% of the respondents confirmed that strategic planning is carried out and only 4.51% indicated that they do not carry out strategic planning. This implies that generally most managers are aware of the practice of strategic planning and perhaps the challenge is translating the crafted strategies to action.

Table 4.15 Responses on the question whether Sugar companies carry out strategic planning and implementation

Category	Frequency	Percent
Yes	106	95.49
No	5	4.51

Based on table 4.15, since sugar companies craft strategic plans, it may therefore imply that perhaps the main constraint is execution of these strategies.

Organizational competitive advantage rests on the ability of organizations to scan proactively and executive strategies (Qiu, 2008; Anderson, 2015) while ensurring that the strategy formulation and execution remains a “fair process” (Mauborgne & Kim, 2015; Tyler 2008), which implies that the input of employees becomes critical. Strategic decisions are crucial to ensure heterogeneity of organizational behavior and creation of value as well creation of new value, (Kaplan 2011).

The findings confirm conclusions by Smit and Cronje also cited in Ngugi (2012) and Keraro (2014) that an organization is a collection of parts unified to fulfil a specific

mandate or goal. These findings support the systems theory and conclusions by Thompson (2010), Pearce II & Robinson (2011), Baroto, et.al (2014) who observed that functional strategies dictate how the various parts of an organization operate and strategy implementation is what makes organizations realize their specific goals. The results further agree with conclusions by Johnson *et al*. (2011), Collins (2009) and Speculand, (2014) who affirm that functional strategies and disciplined action offer benefits and limitations on the way in which an organization operates towards greatness.

This implies that both the staff and management of sugar companies need to have disciplined action in strategy execution. Based on table 4.7, since sugar companies craft strategic plans, it may therefore imply that perhaps the main constraint is execution of these strategies.

4.5.1.2 Degree of strategy implementation

This question sought to find out the degree of successful strategy implementation by the sugar companies in Kenya from the opinion of the respondents. The respondents were asked how they would rate successful strategy implementation in a scale of 1 to 5 where 1 was a success rate of between 1% to 20%; 2= between 21%-30%, 3= between 31% and 50% ; 4 between 51% to 75% and 5 a success rate of between 76% to 100%. Table 4.16 indicates that most respondents indicated a success rate of between 31%-50% for the various strategies and plans that they have developed. `

Table 4.16 Responses opinion on the degree of successful strategy implementation

Category	Frequency	Percent
1-20%	10	9.0%
	28	25.23%
21-30%		
31-50%	41	36.94%
51-75%	23	20.72%
76-100%	9	8.1%
	111	100%

Majority of the respondents (41 out of 111) indicated that their success rate is between 31-50%, while that whose success rate is between 21-30% is 25.23%.

This is very close to the findings of a study by Raps (2004) that the rate of successfully implemented strategies is between 10% and 30%. Strategies are about change that is positive to the company or firm. Higgs and Rowland (2011) also indicated that more than 70% of change oriented strategies are not successful while Kaplan and Norton (2008) established that more than 90% of strategic initiatives fail due to implementation challenges and not due planning.

According to Raps (2005), the fatal problem with strategy implementation is the success rate of intended strategies and to managers, it's a puzzle in many companies and whose success rate is merely 10- 30 percent, (Judson, 1991; Grundy, 1998; Raps, 2005).

This finding implies that sugar companies in Kenya need to follow through the crafted strategies and commit to successfully implement them while removing obstacles that could be an impediment. This will raise the success rate of strategies implemented.

4.5.1 Length of strategic planning

The study sought to find out how long strategic planning has been carried out by sugar companies for various strategies. Table 4.17 indicates that 52.3% of the respondents have been doing it for more than 10 years while the remaining 47.7% for less than 10 years. A significant proportion, 25.2% have done it for between 3 to 5 years.

This also indicates that apart from the corporate strategies, there were also operational strategies since the study involved top, middle and lower level managers who provide leadership in strategic management. Strategic planning is one of the steps in the strategic management process and implementation is another phase.

As postulated by other scholars strategy planning and execution, to some managers, it's a puzzle in many companies and its success rate is merely 10- 30 percent, (Judson, 1991; Grundy, 1998; Raps, 2004). Pwc (2016) in their survey of CEOs globally and in Africa, pointed out that few companies are able to successfully and sustainably close the gap between their strategy and their execution gap. The few coherent companies are those with the ability to align their value proposition with their distinct capabilities and their portfolio of products and services, thus bridging the strategy-execution gap. This is argument is quite in line with the sugar companies in Kenya, managers and supervisors role in closing the strategy-execution gap is of paramount importance.

Table 4.17 Length of time the organization and department has done strategic planning

Category	Frequency	Percent
Less than 1 year	2	1.8
2-3 years	8	7.2
3-5 Years	28	25.2
6-10 Years	15	13.5
More than 10 Years	58	52.3
Total	111	100.0

4.5.1.2 Planning horizons

The question sought to find out the strategic planning time horizons and the table 4.18 indicates the responses. 58.6% of the respondents had strategic plans developed spanning 3 to 5 years while 10.8% planned for between 6 to 10 years, 4.5% developed strategic plans for more than 10 years, 9.0% for between 3 to 5 years and only 17.1% had strategic plans for less than 1 year.

This agreed with most strategy scholars who argue that a planning horizon of 3-5 years is most ideal.

This finding is in tandem with Speculand (2014), who asserts that there is reduced life span for the strategic plans; not long ago, strategies had a life span of 10 to 15 years-timeframe that has shrunk to 3 to 5 years today. Therefore leaders must craft and implement new strategies more quickly and frequently than ever before.

It has also been pointed out by Aosa, (1992) that many organizations created strategic plans which are rarely implemented according to their planned schedules. Realization of competitive advantage and the achievement of outcomes of organizations are hinged on the successful execution of the strategy.

This implies that managers of sugar companies need to be equipped skills and competencies in both crafting and implementing strategies faster than ever before.

Table 4.18 Strategic planning time horizons

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	19	17.1	17.1	17.1
	2-3 years	10	9.0	9.0	26.1
	3-5 Years	65	58.6	58.6	84.7
	6-10 Years	12	10.8	10.8	95.5
	More than 10 Years	5	4.5	4.5	100.0
	Total	111	100.0	100.0	

4.5.1.3 Problems facing strategy implementation

The study asked a question on whether the respondents faced any problems while executing strategies. An overwhelming 69.4% agreed, and only 12.6% disagreed with a small percentage of 18% being in the middle ground, i.e. neutral. The mean of the respondents was 4. The table 4.19 indicates the percentage of the respondents for each category.

Table 4:19 Response on whether the company faces problems of strategy implementation

Category	Percent
Agree	69.4
Neutral	18
Disagree	12.6

This finding is in tandem with the finding of Baroto, Arvand and Ahmad, (2014) and Johnson (2004) who assert that strategy may not succeed in 75% of the cases and according to Kaplan and Norton (2006) consequences show that 70% to 90% of organizations fail to realize the success of implementing their strategies. Additionally, 66% of corporate strategies are never implemented, 95% of staff do not realize their organization's strategy, and often strategies fail due to ineffective execution. Mankins and Steele (2005) assert that only 63% of financial objectives envisioned by companies are achieved.

According to postulations by McKinsey's 7S" (strategy, structure, staff, systems, skills, style and shared values) and the interconnections facilitate organizational change and progress, (Baroto, Arvand & Ahmad, 2014). Managers have to visualize the key components in order to successfully implement a strategy (Pearce & Robinson, 2011). After the strategy is formulated, the framework suggests that managers focus on six components to ensure effective implementation: organization structure, shared values (culture), systems, skills, style, and staff (Peters & Waterman, 1982). However, the current thinking is to look at both formulation and execution as intertwined processes.

This implies that sugar companies need to focus on the systems, skills, staff motivation, the rewards systems as well as structure of the organization when facilitating organizational change.

4.5.1. 4 Display of vision and mission statement

As part of strategy implementation this, questions sought to understand if the vision and mission statements of the sugar companies is very familiar with the employees. Majority (49.4%) of the respondents strongly agreed, 39.6% agreed, that 5.4% were neutral and only 5.4% strongly disagreed that the statements were displayed as indicated in table 4.19.

The findings are corroborated by Kaplan (2008) who indicated that a vision statement defines the mid to long term goals of an organization and it should be external, market-oriented and should express how the organization wants to be perceived by the world i.e. outside looking. An organization's vision is developed to express the aspirations of the leadership (Pearce II & Robinson, 2011). These scholars argued that a vision and mission statements presents the organization's strategic intent that focuses energies and resources of the organization on achieving the desirable future. The findings are also consistent with other empirical results Craig, (2011) Porter, (2001), Cocks, (2010), Govindarajan & Trimple, (2012) which pointed out that for an organization to be successful, it must ensure that clear vision and mission statements are developed to guide the strategic process of the institution.

This implies that sugar companies have well articulated vision and mission statements and they should develop measurable objectives towards the mission and vision.

4.5.1.5 Preparation of short term plans and targets

The researcher asked this question to find out if the sugar companies make short terms and set targets to be achieved by business unit and the entire organizations. The study found out that majority of the respondents agreed that they set short term plans at 53.2%, 25.2% strongly agreed, and only 2.6% strongly disagreed, while 6.3% disagreed and

12.6% were neutral. This points to the fact strategic planning is inculcated in each department and the challenges faced is implementation of the strategies, both short term and long term.

This study is in tandem with what a number of strategic management scholars, including Pearce II & Robinson (2011), Yabs (2010), Hill (2010), David (2010) who argue that objectives should be forward looking statements of what organizations aim to achieve within a given period of time (normally one year). Majority of respondents evidently understood this definition and strongly reinforced studies by Karnani (2006), Porter (2001), Cocks (2010), Govindarajan & Trimple (2012) who held the view that goals and objectives make it possible to quantify the vision and mission of the organization. These scholars argued that with objectives embedded in the vision, and mission, the executive team is able to define a value gap; the difference between the desired outcome and what could be achieved by maintaining the status quo with the existing strategy.
The scholars further argued that setting objectives and communicating them allows an organization to measure her progress and ensure that everyone is focused on the highest priority of the organization.

4.5.1.6 Resource allocation according to Budget and strategy implementation

The study also sought the respondents view on whether company resources are allocated fairly and according to budget. Nearly 20% disagreed while slightly more than the respondents 54.9% agreed and 25.2% were not sure whether resource allocation is done according to budget and distributed fairly. This is an indication that resources are not fairly distributed for good strategy implementation.

Sometimes resources of public corporations in Kenya are prone to manipulation from unwanted quarters such as politicians. This leads to deviations from strategic investments and realization of the envisioned results. This could explain why the frequency of change of CEOs is quite high among public corporations including the sugar Companies. For example, the largest millers in Kenya, Mumias Sugar Company,

just before this study commenced, new CEO had been appointed and the predecessor including his top management were relieved of their duties due to factors attributed to resource allocation.

A study by Sacchs (2012) on the seven habits of a highly effective Government indicated that politicians squeeze money from the corporations in return for political services. Further, it pointed out that the role of big money in politics has completely sidelined competent public administration and hence recommended an end to "corporatocracy".

This implies that there is need to end the culture of Corporatocracy in order to make sugar companies highly efficient and profitable like those run by the private entrepreneurs.

Table 4.20. Strategy implementation descriptive analysis

Category	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Median	Mode
Vision statement clear and displayed	4.5%	.9%	5.4%	39.6%	49.5%	4	4	5
Mission statement clear and is displayed	4.5%	.9%	6.3%	42.3%	45.9%	4	4	5
Strategy communicated	2.7%	14.4%	16.2%	42.3%	24.3%	4	4	4
Resistance to change of strategy	5.4%	18.0%	19.8%	38.7%	18.0%	3	4	4
Firm develops periodic implementation plans	3.6%	7.2%	18.0%	39.6%	31.5%	4	4	4
Firm prepares short term plans and targets	2.7%	6.3%	12.6%	53.2%	25.2%	4	4	4
Firm achieves most of the annual objectives and targets set.	2.7%	43.2%%	27.9%	12.6%	13.5%	3	3	3
Resources are available for carrying out tasks	4.5%	15.3%	25.2%	37.8%	17.1%	3	4	4

Resources to attract and retain qualified employees	5.4%	12.6%	32.4%	33.3%	16.2%	3	3	4
Encounter problems with strategy implementation	5.4%	7.2%	18.0%	55.0%	14.4%	4	4	4
Business units participate in the annual evaluation of the firm's performance	5.4%	5.4%	18.9%	55.0%	15.3%	4	4	4
The current strategies being pursued will achieve desired results of the firm	6.3%	5.4%	26.1%	42.3%	19.8%	4	4	4
The employees committed to the strategic plans developed	5.4%	9.0%	26.1%	41.4%	18.0%	4	4	4
Board committed to strategic plans developed	5.4%	3.6%	20.7%	47.7%	22.5%	4	4	4
Each business unit versed with the competition in the industry	4.5%	7.2%	20.7%	45.9%	21.6%	4	4	4
Aware of what our competitors are doing to increase market share	5.4%	7.2%	17.1%	52.3%	18.0%	4	4	4
Company analyzes systems and operations processes to identify where to avoid costs by eliminating non-value adding activities	6.3%	6.3%	28.8%	43.2%	15.3%	4	4	4
Our company analyzes who its customers are and knows what customers want	6.3%	8.1%	16.2%	42.3%	27.0%	4	4	4
Firm has ability to anticipate surprises, threats and opportunities	8.1%	6.3%	17.1%	51.4%	17.1%	4	4	4
Management encourages research and innovation to improve products and services.	9.9%	9.0%	17.1%	43.2%	20.7%	4	4	4

In summary, Pearce II & Robinson (2011) point out that engaging in strategic management practises presented five benefits to organizations, namely: enhancement of an organization's ability to prevent problems by aiding management's and subordinates' attention to planning; group-based strategic decisions are more likely to be drawn from the best available alternatives; the involvement of employees in strategy formulation and execution improves their understanding of the productivity-reward relationship in every strategic plan and thus heightens their motivation; gaps and overlaps in activities among individuals and groups are reduced as participation in strategy formulation and execution clarifies differences in roles and; resistance to change is reduced through the already created greater awareness about limited options available.

This implies that sugar companies can leverage more when all levels of management as well as all other staff are acquainted with the benefits of strategic management, strategy crafting and execution.

4.5.1.7 Qualitative data analysis on strategy implementation

The researcher sought to find out from the respondents on factors that they felt hindered strategy question sought the respondents' opinion on factors that hindered strategy implementation in their organization. The findings as indicated in table 4.21 shows the proportion of challenges associated with strategy implementation. External environmental factors, devolution of agriculture function to County Governments and communication tied at 18.91% while inadequate resources was stated by 21.62% of the respondents, stated inadequate resources as a hindrance to effective implementation, while resistance to change and inadequate employee involvement in strategy planning and implementation accounted for 9% and 14.11% respectively. It was also interesting that 17.11% stated leadership problems and frequent interference from external leaders as other hindrance to strategy implementation in the sugar companies in Kenya.

Table 4.21: Response to the question on the external factors that hinder or impact effective strategy implementation.

Common Factors stated	Frequency	Percentage
Strategy Communication inadequate	21	18.91
External environmental factors	21	18.91
Resistance to change process	10	9.0
Inadequate resources	24	21.62
Leadership problems	19	17.11
Inadequate staff involvement in strategy planning ("no fair process")	16	14.41
Total	111	100.0

These findings are consistent with the argument by Mauborgne (2015) who argues using the procedural justice theory that a fair process in strategy execution involves the active participation of the employees, taking into consideration their ideas. In a fair process, when individuals are recognized for their intellectual worth, they are willing to share their knowledge and when treated with emotional recognition, they feel emotionally tied to the strategy and inspired to give their all in its formulation and execution, (Mauborgne, 2015).

This study corroborates a study by Joostie and Fourie (2009) examine the role of strategic leadership in effective strategy implementation established that strategic

leadership is a key drivers of strategy execution. It indicated that strategic leadership determines the strategic direction of the organization in terms of strategy implementation.

Speculand (2014), observes that to conduct a successful strategy implementation, leaders should focus on both crafting and implementing strategy, oversee and stay committed to the implementation, adapt and amend strategy and implementation as required, create the right conditions for the implementation and carry out follow-up.

This implies that sugar companies need to re-evaluate the degree of employee involvement in strategy planning which directly affects strategy execution.

4.5.2 Descriptive analysis for effect of External environment on strategy implementation

External environment is the first independent variable in this study. The study sought to investigate whether factors such as macro environment, political interferences, the competition within the industry such as from cheap sugar imports, regional trade tariffs among others. Specific questions were asked in each of these areas and opinions of the respondents were sought. Table 4.20 provides the opinions and responses on the questions of external environment.

Table 4.22 Respondents' opinion on indicators of external environment

Variable indicators	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Mean	Median	Mode
Company utilizes environmental scanning during planning process	9.0%	12.6%	18.0%	41.4%	18.9%	3	4	4
Firm has a formal process for external environmental scanning	2.7%	18.9%	19.8%	46.8%	11.7%	3	4	4
Competitors as important market players	8.1%	14.4%	5.4%	52.3%	19.8%	4	4	4
Competitors are a great threat to our future	3.6%	27.9%	6.3%	37.8%	24.3%	4	4	4
Actions of our competitors have made us change our strategy in the last five years	4.5%	14.4%	16.2%	40.5%	24.3%	4	4	4
A lot of political interference in the sugar sector which makes us adjust our strategies	5.4%	9.0%	4.5%	52.3%	28.8%	4	4	4
Industry forces change very fast	2.7%	9.0%	13.5%	49.5%	25.2%	4	4	4
The cost of doing business in Kenya	2.7%	3.6%	8.1%	53.2%	32.4%	4	4	4
Devolution of Agriculture to the County Governments influenced on strategy	.0%	5.4%	21.6%	49.5%	23.4%	4	4	4
Bargaining power of our suppliers (farmers) influenced our strategic initiatives	.0%	8.1%	17.1%	55.0%	19.8%	4	4	4
Entry of cheap sugar into the Kenyan market	.9%	5.4%	10.8%	46.8%	36.0%	4	4	4
Demand for sugar is rising and cannot be met by domestic production	5.4%	9.0%	8.1%	43.2%	34.2%	4	4	4
Rate of change of the sugar industry environment in Kenya	13.5%	4.5%	10.8%	49.5%	21.6%	4	4	4
Company has adopted new technologies	11.7%	2.7%	9.9%	54.1%	21.6%	4	4	4
Increasing usage of sugar from other sources other than cane (i.e. honey, stevia) is influencing our strategic initiatives	8.1%	10.8%	22.5%	42.3%	16.2%	3	4	4
Economic factors like inflation, exchange rates, economic growth	11.7%	2.7%	22.5%	41.4%	21.6%	4	4	4
Corruption and demand for bribes	9.0%	15.3%	33.3%	22.5%	19.8%	3	3	3

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Corruption and demand for bribes	9.0%	15.3%	33.3%	22.5%	19.8%	3	3	3
Unregulated sugar imports by Government agencies has forced us to recast our strategy	6.3%	4.5%	22.5%	37.8%	28.8%	4	4	4

4.5.2.1 Effect of economic environment on strategy implementation

The researcher sought to find out the opinion of the respondents on the usage of environmental scanning by the sugar companies. Majority at 60.3% of the respondents agreed that the company uses environmental scanning while only 21.6% disagreed with 18% remaining non committal on the usage of environmental scanning by the sugar companies. The approval rating of 60.3% is very high and contradicts the researcher's expectations. Sugar companies should utilize the environmental scanning to adapt to changing times in which the sector is progressively becoming very competitive.

The study also sought to find out if economic factors such as inflation, economic growth rate had any significant influence on strategy implementation in the sugar companies. In response, majority 63% of the respondents agreed that these factors had influence on their strategy implementation while only 14.4% disagreed and 22.5% were noncommittal.

These findings are corroborated by Downes (2001) who observes that external forces may be a challenge to the implementation of strategy in an organization and can also influence internal resistance to strategic planning and implementation. These findings imply that Sugar companies in Kenya incur heavy costs while undertaking their operations and this could impact negatively on their earnings and profit.

4.5.2.2 Effect of Competition in the industry on strategy implementation

This question sought to determine the opinion of the respondents regarding the competition in the sugar industry. Figure 4.4 shows the respondents results on competition. Majority at 64.8% of the respondents agreed that competition thus exists while 31.5% disagreed and only 6.3% were neutral that there is neither competition nor none at all in the sugar industry.

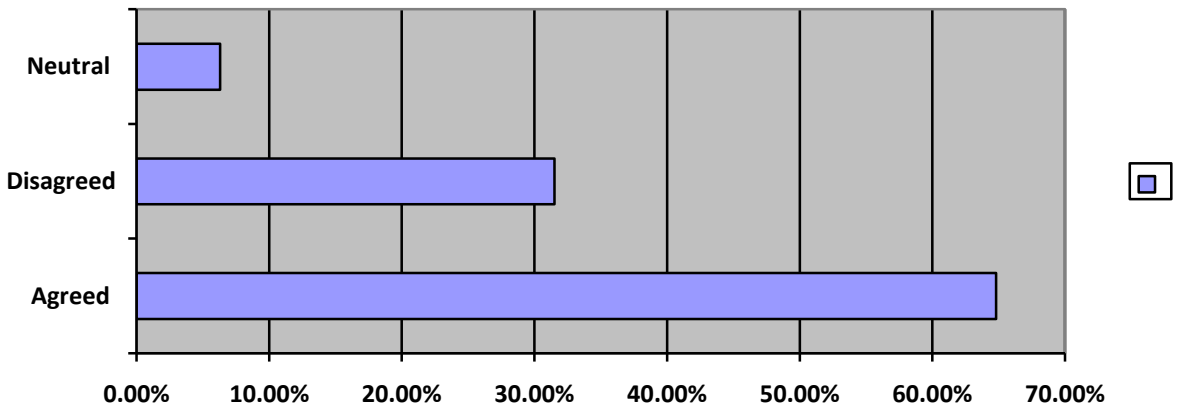


Figure 4.4 Competition in the industry

Similarly a question was asked that sought to find out if the action of competitors affected the strategy execution in the last five years. A similar trend was revealed where 64.8% agreed that the actions of the competitors in the industry created a need to change strategy by the respondents. Only a small number 18.9% disagreed that the action of their competitors made them change strategy in the last five years.

Another question was asked to find out if sugar (white or brown) is facing competition from other sweetening such as honey and stevia. The study revealed that 58.5% of the respondents agreed with the view that sugar as a product is currently facing competition from other sweeteners although it's not very high.

This finding agrees with studies that have examined the heterogeneity in firms' responses to product competition in terms of changes in their productivity where for example Aghion (2005) hypothesized that within-industry variation in firm performance increases with competition, as those firms further from the frontier and in regions with poorer business institutions invest less while those close to the frontier will invest more in new technologies and production processes. The finding is also corroborated by a study by Matepere (2011).

Competition within the sugar industry has seen millers take each other to court. For example since 2014 and early 2016, two millers in Busia county have been locked up in

court battles over the legal location of each other, the two sugar are very close to each, less than 40 km apart. However, the real issues are about competition for sugarcane from the farmers whom neither of the company has contracted. There is the question of cane poaching of cane by farmers. Africa Polysack and West Kenya have had their strategies derailed and incurred huge costs in equal measure and the case is yet to be finalized as at the time writing this thesis. This is business rivalry and competition and a challenge to strategy implementation.

The competition from other sweeteners could be attributed to people's changing lifestyle in view of increased knowledge on personal health and wellbeing.

4.5.2.3 Effects of unregulated sugar imports on strategy implementation

The study also asked a question to find out if un-regulated sugar imports were a challenge to strategy implementation in the sugar industry, coming from the macro-environment. The study revealed that majority (66.6%) agreed unregulated sugar imports was a challenge to strategy implementation, 22.5% remained neutral, 4.5% disagreed and 6.3% strongly disagreeing.

In addition sought to determine if the entry of cheap sugar into the Kenyan market was a challenge to strategy implementation and it was revealed that an over whelming 82.8% of the respondents agreed with this opinion while a paltry 6.3% disagreed and 10.8% remaining neutral.

Despite the unregulated sugar imports, the study also sought to find out if the demand for sugar is increasing or declining. The study found out that 77% (sum of 43.2% and 34.2%) of the respondents indicated that the demand for sugar in on an upward trend. Only 14.4% (sum of 5.4% and 9.0%) disagreed with this view.

This finding is consistent with the Ministry of Agriculture, AFFA (RoK, 2014) that Kenya has an annual sugar deficit of close 200,000 MT per annum. This deficit is met

by Kenya allowing for sugar importation through the Ministry of Agriculture, AFFA, Sugar Directorate.

Ancharaz, Vinaye, Kandiero, Tonia and Mlambo, Kupukile (2010), argue that Regional Economic Communities (RECs) of COMESA and SADC recognize the importance of trade facilitation in deepening regional integration by reducing the cost of cross-border transactions, and improving the potential of growth through trade. Trade facilitation initiatives date back to 1985 when Burundi, Kenya, Rwanda, and Uganda signed the Northern Corridor Transit Agreement to facilitate trade in the Eastern and Central African region through the port of Mombasa in Kenya. However, official recognition of trade facilitation came in 2001, when a COMESA/SADC task force was established to design and coordinate regional trade facilitation programmes. In 2006, the task force was expanded to include the EAC. Kenya has been importing sugar from the COMESA countries. Apparently, it may be argued that the cost of production of sugar in those countries is lower than most of Kenya's sugar companies and by importing to Kenya and sell the sugar at a far lower price than Kenya's alludes to this fact.

This implies that Kenya is a net importer of sugar from the COMESA countries since the demand out strips the local production at the local production levels. However, from this study sugar imports affects strategy implementation and sugar companies should be conscious of this fact to avoid market glut.

4.5.2.4 Effects of policies and legislation on strategy implementation

The question sought to find out the opinion of the respondents on government policies and legislation on strategy implementation. In particular the devolution of Agriculture functions from \the national government to the county governments as provided for in the Fourth Schedule, Constitution of Kenya, 2010, the Fourth Schedule was done August 2013. Most of the functions that were previously performed by the central government were devolved to the 47 Counties aside from Policy formulation and Research, (CoK, 2010). 23.4% of the respondents strongly agreed that devolution of agriculture has

influenced strategy implementation while 49.5% agreed with a mean 4. None (0%) of the respondents strongly disagreed while only 5.4% disagreed with this opinion with a small percentage (21.6%) being neutral.

The result support the findings by (Salamon, 2002), that tools of the government can directly or indirectly influence the performance of organizations. The result confirm that strategyy implementation in sugar companies is affected by government actions an indicator that government policy may pose a challenge to strategy implementation.

According to Keraro, (2014) devolution has shaped the way strategies are carried out by both the 47 Counties and the National Government. The aim of devolution was to make services closer to the people of the Republic of Kenya and hence improve service delivery (CoK, 2010). One of the functions of the National Government according to the Fourth Schedule of the CoK, 2010 is to develop policy and carry out research. To be in line with the spirit of devolution, certain pre-existing policies have to be reviewed and realigned with new Constitution, failure to which, has led to sour intergovernmental relations.

This finding corroborates Chiuri (2015) in the study of challenges of strategy implementation in Higher Educational Institutions in Kenya.

Therefore it's apparent that devolution of agriculture has affected the way strategy implementation takes place in the agricultural sector and it implies that sugar companies just like other agricultural sectors should align their strategies to devolved units. The Sugar companies fall under the guidance of Sugar Directorate of the Agriculture Fisheries and Food Authority of the Ministry of Agriculture.

4.5.2.5 Effect of political interferences on strategy implementation

The question on political interference is closely linked to the one on legislation and policies and it sought to find out the respondents opinion on political interference and strategy implementation. A very high percentage (81.1%) agreed that there was political

interference that affects strategy implementation in the sugar companies with only a small percentage 14.4% disagreeing with this view as indicated in Figure 4.5.

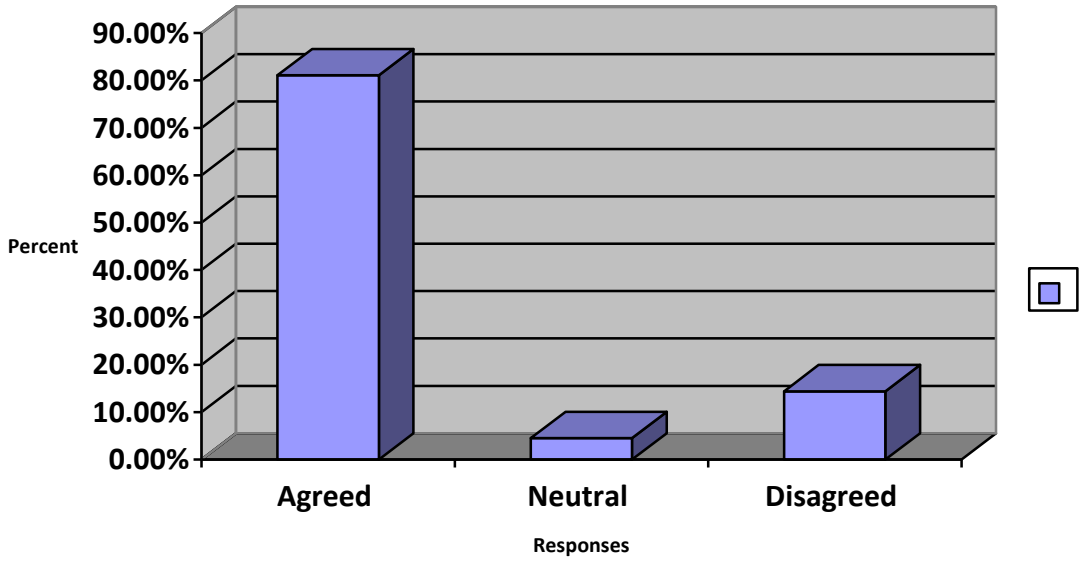


Figure 4. 5 Extent of political interferences

According to Salamon (2002), the tools of the government such as policies and regulations can directly and indirectly influence the performance of organizations. The results therefore confirm that sugar companies in Kenya are affected by political interference. In 2015, the Privatisation Commission of Kenya was barred from going ahead to privatise five sugar millers due to political interests. The County Governments want to have control and management of sugar companies within their jurisdiction. In Kenya sugar is a commodity that directly affects the livelihoods of people in 11 counties and creates offers employment to more than 600,000 people, most of whom are voters. The government has more often given cash bail out to sugar companies to allow them meet their operations. Such cash bail outs are not sustainable in strategy implementation.

The findings agree with that Sachs (2012) on the seven habits of a highly effective Government which indicated that politicians squeeze money from the corporations in

return for political services and where big money in politics has completely sidelined competent public administration. The study recommended to an end to "corporatocracy", where politicians manipulate corporations for self gain.

This finding implies that the sugar sector is a volatile industry and is affected by the political interferences, apart from the legislation regime of the country.

4.5.2.6 Effect of the bargaining power of suppliers on strategy implementation

The question sought to establish in the opinion of the respondents if the bargaining power of their suppliers and especially farmers influenced strategy implementation. It was clear that 84.8% (sum of 55.0% and 19.8%) were in agreement that their suppliers mostly farmers affected strategy implementation with only 8.1% in disagreement. Only 17.1% of the respondents were neutral.

This finding agrees with the scholarly discourse by Potter (1990) that the bargaining power of suppliers affects the firm directly.

Sugarcane farmers (some contracted and some are private growers) are the main suppliers of raw materials to the sugar for example Mumias sugar cane gets 50% of their cane from Bungoma County and more than 25% from Busia County in addition to the nucleus farms they manage. While this is good, it has in some cases caused inter-company conflicts as they compete for cane.

4.5.2.7 Effect of Technological changes within the operating environment on strategy implementation

The study asked a question to find out the opinion of the respondents regarding the level of technological changes within the Sugar companies operating environment. The results revealed that 70.1% (sum of 22.5% and 48.6%) of the respondents strongly agreed that there has been increase in technological innovations in the last five years. On the other hand only 14.4% (sum of 4.5% and 9.9%) of the respondents disagreed.

Additionally, the study sought to find out whether the sugar companies recast their strategic initiatives as a result of changes in technologies in production and operations. The study found out that 75.7% (sum of 54.1% and 21.6%) of the respondents stated that their had to recast their strategies due to technological innovations. 14.4% (sum 11.7% and 2.7%) of the respondents disagreed. This is a pointer to the types of technologies adopted and used by the sugar companies in the various value chains. Sugar companies are currently operating in a complex world economy.

Sacchs, (2012) points out that the economy is a complex system and one key to effective planning is to embrace complexity and with a complex system, there is rarely a single solution to a problem. Magic bullets or single-minded solution are the favorite prescriptions of superficial analysts. According to a study by Storey and Easingwood (2008) asserts that market and technology innovation helps to focus the competitive strategy of a business. It further states that customer analysis, competitor analysis and supply competence analysis are its essential components.

The finding also points to the conclusion by Rycroft and Kash (2009) that its important to link technology to innovation in sustaining competitiveness of the company. It further asserts that firms that combine customer value innovation with technology innovation have an increased chance of enjoying sustainable growth and profit. Sugar companies need to build management skills and activities which are conceptualized to be situation specific and embedded in the organizations. However, the question arises about what is the best way to prepare managers for the "complexity, uncertainty, uniqueness and value conflicts in a complex world". What technologies are most cost effective? One big concern about sugar companies is capacity under utilization.

This implies that sugar companies need to consistently adjust to Technologies, Innovations, and Management Practices (TIMPS) that enhance competitiveness.

4.5.3 Descriptive analysis of effect of Organizational culture on strategy implementation

Table 4.23 indicates the variable indicators of organizational culture and the results of responses of for each question by the 111 managers interviewed. Corporate culture should be supportive of the strategies being pursued and Wheelen and Hunger (2010) allude that unless is in complete agreement with the culture, any significant change in strategy should be followed by a modification of the company corporate culture. It's the role of management to manage corporate culture by evaluating what a particular change in strategy means to the corporate culture, assessing whether is needed and decide whether an attempt to change the change culture is cost effective.

Table 4.23: The respondents opinion on the indicators of organization culture

Indicators	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Median	Mode
Our company has well developed norms, beliefs and habits	3.6%	3.6%	7.2%	62.2%	23.4%	4	4	4
Our company has developed leadership principles that enable strategy implementation	3.6%	6.3%	2.7%	73.9%	13.5%	4	4	4
Employees of the company are encouraged to practice core values of the company which enable strategy implementation	.0%	13.5%	9.0%	65.8%	11.7%	4	4	4
Our employees uphold professionalism and integrity in carrying out their activities	.0%	24.3%	12.6%	46.8%	16.2%	4	4	4
Our internal policies and procedures are important in enabling strategy implementation	6.3%	3.6%	9.0%	59.5%	21.6%	4	4	4
All company official documents must have symbols such the company logo, company vision and mission and slogan	.0%	7.2%	9.0%	52.3%	31.5%	4	4	4
Our company handles change with a sense of urgency	.0%	21.6%	2.7%	60.4%	15.3%	4	4	4
Our internal culture has always supported successful strategy implementation	.0%	18.0%	7.2%	46.8%	27.9%	4	4	4
Our company welcomes new ideas and innovations that ensures strategy implementation	2.7%	11.7%	7.2%	56.8%	21.6%	4	4	4
Our company traditionally celebrates milestones such as anniversary days, farewell parties, end of year recognition achievements, retiring employees among others.	4.5%	15.3%	10.8%	50.5%	18.9%	4	4	4
Our firm has incentives and reward systems based on meeting strict, usually qualitative targets	4.5%	18.9%	3.6%	59.5%	13.5%	4	4	4
Our company is an equal opportunity employer and does not practice any form of discrimination such as based on gender, ethnicity, religion, race, region, marital status.	9.9%	9.0%	7.2%	50.5%	23.4%	4	4	4

4.5.3.1 Effects of Norms, beliefs and habits and strategy implementation

The question sought to find out critical beliefs and habits existing in such and from the opinion of the respondents it was revealed that majority (85.7%) of the respondents agreed while only 7.2% disagreed with the existence of norms and habits within their with a small percentage of 9.9% disagreed on the existence of an established systems of norms and beliefs and certainly behavior.

Similarly, the study sought to investigate the level of motivation, recognition and rewards, i.e. celebrating milestones birthdays, employee recognition, and if rewards are important. The study found that 69.5% (sum of 50. 5% and 18.9%) of the respondents indicated that their celebrated key milestones and achievements, while 19.8% were in disagreement and 10.8% neutral.

This finding is very close to what Chiuri (2015) established when studying the challenges of strategy implementation in Higher educational institutions in Kenya, where the percentage of respondents who agreed was 67% as compared to 16.5% who disagreed.

Similarly the findings of this study are corroborated by Bossidy and Charan (2009), Wheelen and Hunger (2010), and Pearce and Robinson (2012) that an organization's culture can exert a powerful influence on the behavior of all employees, and due to this culture has the ability to shift its strategic direction. Corporate culture has a strong tendency to resist change because corporate culture is all about self preservation.

This finding implies that sugar companies should encourage and institutionalize practices that reinforce desired beliefs, norms and habits. The beliefs that influence specific behaviors are more likely to need changing.

4.5.3.2 Effect of leadership Principles and core values necessary on strategy implementation

This question sought to find out the importance of organizational core values and value based leadership from the opinion of the management. The results revealed that an overwhelming 87.4% (sum of 73.9% and 13.5%) agreed that leadership while a small proportion at 9.9% (sum of 6.3% and 3.6%) disagreed on the importance of core values that enabled strategy implementation.

This finding is corroborated by Pearce and Robinson (2012) who explain that organizations have developed core values that guide the decision making and practice of management as well as how employees interact intra and extra with the outside stakeholders. Others go an extra mile and develop specific guides for leaders and refer to them as Leadership Principles, a good example is an American Christian Non-Governmental Organization called Compassion International whose board developed 12 leadership principles that guide decision making and how leaders conduct themselves. These are; demonstrate Godly character, commitment to a local church, Cherish family, Ignite passion, (Compassion International, 2016).

McChesney and Covey (2015) indicate that strategy execution should be based on disciplines that work, not practices, because practices can be situational, subjective, and always evolving while principles are timeless and self-evident and they apply everywhere just like laws of nature such as gravity. The principles of strategy execution are focus, leverage, engagement and accountability (McChesney & Covey, 2015).

Organizations with leadership principles practice servant leadership improve employee engagement and lead to the growth of the whole person.

This implies that sugar should build a culture that lives its desired values because people will not follow a leader whom they feel is not authentic, neither will they be committed to working for an organization that is not authentic.

.5.3.3 Effect of resistance to change on strategy implementation

Strategy implementation is about taking actions that bring about change. This question sought to establish the respondents' opinion on whether their companies handled change with a sense of urgency. As indicated in Table 4.21, majority (60.4%) agreed, 15.3% strongly agreed with this statement and 21.6% disagreed while a small percentage of 2.7% were neutral.

This finding is corroborated by Wheelen and Hunger (2010) who explain that effective management of change can be achieved through communication in a world-wide survey of 3,199 executives by McKinsey & Company. That ongoing communication and involvement was the approach most used by companies that successfully transformed themselves.

Bossidy and Charan (2009) no company can deliver on its commitment or adapt well to change unless all the leaders practice the discipline of execution at all levels.

This finding implies that there is need for teamwork and commitment by all top, middle and lower levels management to strategy implementation in Sugar companies in Kenya.

4.5.3.4 Effect of Culture of Innovation and research

This question sought to investigate the opinion of the respondents on innovation and generation of new ideas whether in terms of products, market, cane breeds among others. The study revealed that 56.8% of the respondents agreed, 21.6% strongly agreed, 14.4% disagreed and 7.2% were neutral.

This study is consistent with the finding by Oke and Goffin (2010) which established that radically changed and improved products are important for long term business growth. In the sugar company, the primary product is sugar while some companies have diversified to purify package bottled water in addition to power generation. However, according to Mitchell (2010), while product innovation is good for business growth, it's

not just enough to engage in it for the sake of it- what some managers refer to as "innoflation" because innovation is a cost to the organization.

This finding implies that sugar companies in Kenya need to be innovative in while cautious of "innoflation" i.e. carrying out innovation just for the sake of it.

4.5.3.5 Effect of recruitment and selection processes

This question to investigate the opinion of the respondents on recruitment and selection in the sugar companies in Kenya as strategy implementation measures. Table 4.22 indicates that 73.9% of the respondents agree that sugar are equal opportunity employers without discrimination based on gender, religion, race or ethnic background while 18.9% disagreed. Only 7.2% were neutral.

According to a study by Brannen (2005), in order to improve execution, issues that need to be tackled include; inadequate resources, organization cultural barriers, ill defined action plans, poor communication, and poorly defined accountabilities.

4.5.3.8 Qualitative Data analysis on organizational/company culture

The question sought to determine the respondents view on the issues of organization culture which positively or negatively affected strategy implementation in their sugar companies. Table 4.24 indicates the summary results of the main themes. From the study, 33.3% of the respondents had the main theme of complacency and resistance to change, company norms and beliefs closely followed by 25.1%, then poor culture of innovation poor 18.01%, inadequate transparency and poor team work was 12.6%.

Table 4.24 Response on the question of the major themes on culture that negatively or positively impact strategy implementation

Major theme	Frequency	Percent
Complacency, resistance to change	37	33.3
Culture of Innovation low	20	18.01
Company norms and beliefs	28	25.1
Poor rewards	12	10.81
Inadequate transparency and team work	14	12.6
Total	111	100

This finding is also corroborated by Chiuri (2015) who established in a study of challenges of strategy implementation in Higher education institutions in Kenya that 65.9% of indicated resistance to change and apathy was 24.4%. The study established that inculcating the culture of employee involvement in strategy formulation and implementation will result in employees developing positive attitudes and beliefs. This implies that sugar companies need involve employees in both formulation and implementation of strategies. Continuous awareness on the need for change and communication with the employees will minimize resistance to change. Additionally, they need to encourage teamwork among workers and discourage procrastination.

4.5.4 Descriptive Analysis of effect Organizational structure on strategy implementation

This section provides description of the third objective study which was to determine the effect of organization structure on strategy implementation.

4.5.4.1 Alignment of structure to strategy implementation

This question sought to find out the opinion of the respondents on alignment of to organizational structure of the selected sugar companies in Kenya. The results indicated that 45% agreed, 27.9% strongly agreed, 10.8% disagreed and 8.1% strongly disagreed while 8.1% were neutral that structure is aligned to strategy implementation.

According to Covey (2007) organizational trustworthiness requires both organizational character and organizational competence, i.e. alignment is institutionalized trustworthiness. That means that the very principles that people have built into their value systems are the basis for designing structures, systems and processes. That even if the environment, the market conditions and people change, the principles do not. It is well described in the language of the architect: ***Form follows function***.

Bossidy (2011), argues that the first building block of people process is its linkage to strategic milestones over the near (0-2 years), medium (2-5years) and long terms, as well as operating plan targets. They business leaders create this linkage by ensuring that they have the right kind of people and the right numbers of people to execute the strategy. Linking people, strategy and operations also helps distill organizational challenges for the coming year.

Similarly, McChesney et.al,(2012) indicates organizational structure is often irrelevant to designating the right team to support a wildly important goal; it might take people with different skill sets from many parts of the organization.

4.5.4.2 Effect of span of control of the supervisors

The question sought to find out the level of span of control of the management and results revealed that 27% strongly agreed, 32.4% agreed, 10.8% disagreed and a high proportion of 23.4% strongly disagreed that structure was not aligned to strategy implementation and 10.8% were neutral.

This finding is corroborated by Pearson (2012), Bossidy (2012) and Mauborgne (2015).

This finding implies that the existing structure and more so on span of control is not fully supportive of strategy implementation and managers need to be to the fact structure and reporting structure should be supportive of the strategies developed.

There should be regular monitoring of the channels of performance overtime and modify the channels if necessary to enhance performance (Kotler, Keller, & Burton, 2009).

4.5.4.3 Effect of Centralization vis-à-vis decentralization

The study sought to find out the respondents opinion on whether all departments should have their own distinct structures that enable strategy implementation. The results indicated in table 4.22 that 59.4% (sum of 27.0% and 32.4%) of the respondents agreed that departments should have their own reporting structures unique to strategy implementation, while 34.8% disagreed that departments should have their own unique structures, only 6.3% were neutral to this question.

This finding is very consistent with findings of Kalali (2011) and contradicts that of Chiuri (2015). Chiuri (2015) studied the challenges of strategy implementation in Higher Educational Institutions in Kenya and found that over 72% of the respondents disagreed that each departments in the Higher Educational Institutions should have their own structures which were unique to themselves for strategy implementation. This contradiction may be due to the fact that her study was carried out in the education sector while this study is based on the sugar companies whose core management operations are both within the same locality and also in the field where we have farmers, transporters, marketing and suppliers unlike Higher Educational Institutions such as Universities which may have campuses and colleges that still have to be centrally managed and it has a hierarchical organizational structure where top management and other leaders have distinct roles and responsibilities, (Bush, 2007).

On the other hand, Kalali (2011) studied why strategies fail and the respondents and it revealed that having divergent structures was a cause of failure of strategy implementation. According to Musyoka (2011), the choice of structure is a formidable challenge and the strategic challenge in a functional structure is ensuring that effective coordination of separate functional units is done and therefore some form of divisional structure is necessary to fulfill coordination and decision making due to size and diversity.

Based on the finding, it implies that the organizational structure adopt choice by sugar companies in Kenya may pose challenges to strategy implementation.

4.5.4.4 Effect of monitoring and reporting performance on strategy implementation

The question sought to establish if the sugar companies in Kenya have tools and frameworks to carry out monitoring and reporting of progress on strategy implementation. The study found out that 59.4% (sum of 32.4% and 27%) agreed, 10.8% disagreed and a good proportion of 34.2% disagreed (sum of 23.4% and 10.8%) disagreed that there are not adequate structures, tools and frameworks for monitoring and reporting strategy implementation.

Anderson and Kleiner (2003), Ofori and Atiogbe (2011) and Chiuri (2015), Amrule (2013) all confirm that monitoring systems assures financiers that the resources are utilized for the intended purpose and makes strategy implementers good communicators, that critical constraints to execution are addressed as soon as possible.

There are many benefits of monitoring and reporting of strategy implementation performance. SMART (specific, measurable, attainable, realistic and time bound) objectives for strategy implementation need to be set. Among which include is to ensure that we are on track, establish accountability mechanisms at different levels, measure the progress of attaining set targets for each business unit in strategy implementation. The

overall purpose of the monitoring and reporting is the assessment of progress towards achievement of targets in order to more effectively manage the outcomes and outputs.

This finding implies that there should be implementation matrix for each business unit. Monitoring should be done right from the start of strategy implementation and not at the end of the period which if it happens will lead to unpleasant surprises.

4.5.4.5 Effect of Communication on strategy implementation

Good strategy communication is seen as an important element of successful strategy implementation and this study wanted to determine the effect of communication on strategy implementation. The study established that 24.3% disagreed that there was adequate communication and feedback mechanisms that facilitate strategy implementation while 64% agreed that communication and feedback within the organizations. Similarly on the frequency of holding meetings, the study found out that 61.2% agreed that there exists weekly meeting whenever a new strategy is implemented, 27.9% disagreed that they do not hold any weekly positions and 108% were neutral.

This finding is in tandem with that of McChesney *et, al.* (2015) in a FranklinCovey survey of retail stores which found that 73% of the top performers agree with the statement: Our success measures are visible, accessible, and continually updated and communicated". Only 33% of the bottom performers agreed with the statement. Top performers are more likely to appreciate the value of monitoring, reporting and communication of where the company's and where it wants to go.

Various scholars, among them Bossidy, et.al (2011); Noble, (1999); Johnson (2011); Baroto et.al (2014), point out that in strategy implementation what really matters is the substance of the communication and the nature of the person doing the communicating-including the ability to listen.

This implies that leaders at all levels of management of the sugar companies need to intensely and intimately get involved with the people and the operations for successful strategy implementation.

4.5.4.5 Qualitative analysis of organizational structure

This question sought to find out what the respondents viewed as critical of structure that they hindered strategy implementation in their company. Table 4.22 indicates the analyzed qualitative responses based on the key themes and factors stated by the respondents. All (100%) of the respondents indicate that structure itself is a challenge to effective strategy implementation.

Table 4.26: Responses to the question on listing and explaining organization structure factors hinder or encourage strategy implementation in your company

Factor	Frequency	Percent
Current structure inadequately supports strategy implementation	44	39.64
Inadequate monitoring and reporting tools	30	27.03
Span of control very high	20	18.01
Inadequate inter-departmental integration and linkages, teamwork	11	9.90
Others	6	6.30
Total	111	100

In summary the descriptive findings of the study concur with the findings by Daft (2004) that organizational structure defines how job tasks are formally divided, grouped and coordinated. According to these findings, there are six elements that managers of agencies need to address when they design their organization's structure namely; work specialization, departmentalization, the chain of command, span of control,

centralization, decentralization and formalization. An organization's structure is a means to help management of achieve its objectives. The results also concur with the findings by Wolf, (2002) that structure has a direct effect on the success of an organization's operational strategy.

Similarly, the findings also concur with the findings by Clemmer (2003), Amrule, (2013), Chiuri (2015) and Kinyanjui (2015), that organizational structure shapes the performance of organizations.

The results confirm that organization structure of sugar companies in Kenya is clearly defined in terms of lines of authority and responsibility and there is adequate supervision and monitoring of decentralized operations. The findings also indicate that confirm that the organization structure should be reflect the size and complexity of the sugar miller.

4.5.5 Descriptive Analysis for effect of Managerial skills on strategy implementation

The fourth objective of the study was to determine the effect of managerial skills on strategy implementation. Managerial skills are classified into technical, conceptual and technical skills. Table 4.23 gives a summary of the findings of the respondents' opinion on various indicators.

4.5.5.1 Effect of top leadership integrity and accountability supportive to strategy implementation

The study revealed that 78.4% (sum of 54.1% and 24.3%) agreed that top management has high levels of integrity and accountability that provides sound leadership in strategy implementation in sugar in Kenya, while 12.6% (sum of 6.3% and 6.3%) and 9.0% were noncommittal.

Integrity and accountability are important attributes of management which also indicate the degree of corporate governance in institutions

The results concur with the finding by Whittington and Pany (2001) that management include integrity and ethical values; the commitment to competence; leadership philosophy and operating style; and the way management assigns authority and responsibility, and organizes and develops its people to achieve outcomes.

The results also agree with the findings by Lightle, Castellano and Cutting (2007)that management is responsible for creating an environment in which ethical behavior is encouraged and they reinforced while at the same discouraging unethical practices.

According to Ziglar (2003), employee morale is affected by many factors in and outside the workplace, those who have confidence in management's integrity are most likely to deliver their best work and do so consistently. Management can build confidence when it communicates its abilities honestly, confidently and directly. A well-run company is the best employee morale itself.

4.5.5.2 Effect of communication and commitment by leadership to strategy implementation

The study sought to investigate the opinion of the respondents on communication of strategy by management and Table 4.27 gives a summary of the findings. The study revealed that

This finding is corroborated by Wheelen and Hunger (2010) that communication is key to effective management of strategic change, implying that the rationale for strategic changes should be communicated to workers not only in newsletters, speeches but also in training and employee development plans.

Pwc (2016) pointed out that companies and more so CEOs want to communicate on the impact and value generated through their organization's purpose and values, business strategy and innovation initiatives and their wider impact on their communities.

The study is further supported by Altonen and Ikalvalko (2002) that commitment to strategy execution is not as problematic as communication especially for middle managers and lower level managers and that the lower the actors were in the organization hierarchy, the less committed they were to the company strategy. The study also revealed that it was difficult to measure commitment to strategy and that the middle managers themselves never realized how much they lacked commitment to strategy than the way the top management viewed them.

Bossidy and Charan (2011) argue that communication can be mere boilerplate, or it can mean something. What counts is the substance of the communication and the nature of the person doing the communicating-including his or her ability to listen as well as to talk. For example some people can be viewed as good communicators because they practice "management by walking around" (MBWA). Strategy execution requires consistent communication.

4.5.5.3 Effect of work environment, do you have a best friend at work.

This question sought to investigate the respondents view on whether employees have a best friend at work whose goal is meeting company goals because the work environment is where employees spend most of their active hours of the day as compared to elsewhere. The study revealed that 82.9% (sum of 52.3% and 30.6%) of the employees have a friend at work. Only 1.8% disagreed that they have a best friend at work.

This finding is supported by Gallup, Inc. an American research based global performance-management consulting company founded in 1935 by George Gallup has conducted numerous survey on what they call Q12 questions on performance and key is the idea of having a best friend at work, (Gallup, 2016). Their data shows that close friendship at work correlate with higher profitability, lower accident rates, less inventory loss, higher customer engagement and happier employees. The statement also measures trust and which is a key element of highly engaged employees and an essential ingredient in strategy implementation.

This implies that the work environment of sugar companies should be deficient of policies that bar friendship, conversations and employee interactions and sharing of ideas. The work environment should be relaxing and have opportunities for open sharing of information, brainstorming and dialogue.

4.5.5.4 Effect of educational level of the managers driving strategy implementation

The level of education of the top management is a measure of cognitive skills and the study sought to find out the opinion of the respondents on this question and its relationship to strategy implementation. An overwhelming 86.4% (sum of 41.4% and 45%) agreed that the level of education of top management affects strategy implementation while only 4.5% disagreed and 9% remaining neutral.

This finding is supported by a study by Pcw's (2016), in a study of its 19th annual Global CEOs survey of 1409 CEOs world-wide and 153 African CEOs which established that 79% of the African CEOs and 75% of the Global CEOs believe a skilled, educated, and adaptable workforce is among the top three priorities for business to help deliver. The survey used similar questions for both the Global and African CEOs.

Many strategy implementation efforts fail because leaders underestimate their challenges and as result take off their eyes from what needs to be done while at the same time leaders do not have a framework to guide them through strategy implementation journey, (Speculand, 2009).

According to Maxwell (2013), effective leaders understand that what got them to their current level of leadership and their organizations, won't be enough to get them to the next level and they understand that to continue getting better results and good leadership they have to keep growing and changing and each move requires a paradigm shift. Managers in the sugar companies should in the forefront driving strategy implementation, keeping their eyes on the goal.

This finding implies that a mismatch between the right education and core competencies may pose a challenge to strategy implementation in Sugar companies in Kenya.

4.5.5.5 Effect of change champions in strategy implementation

Every strategy implementation effort involves change management and appointment of a change management teams led by a champion is critical. This question sought to find out the opinion of the respondents on the appointment of change champions to lead change management. The study revealed that 64.9% of the respondents agreed that the company appointed a change champion, 16.2% strongly agreed with a mean of 4, with a small fraction, only 9% disagreeing (sum of 2.7 and 6.3%).

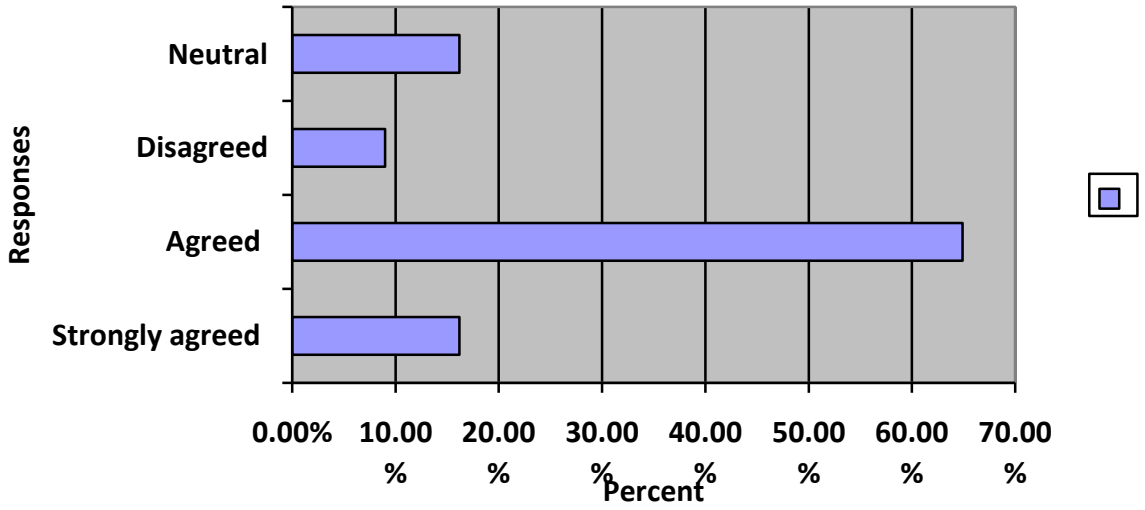


Figure 4.7 Responses on change champion in strategy implementation

This finding corroborated by Chiuri (2015) who established that 28.4% of the respondents were in agreement that the Higher Educational institutions, appointed change champions to lead strategic change. According to a study by Altonen and Ikavalko (2002) on the role of middle managers, it found out the role of championing brought innovations upwards in the organization.

Appointment of change champions minimizes resistance to change. Resistance to change may take the form of procrastination and delays in triggering the process of change, unforeseen implementation delays and inefficiencies which slow down the change and make it more costly than earlier expected. It also leads to strikes, slow down, frequent absenteeism, poor performance and lack to meeting deadlines, (Musyoka, 2011).

This implies that sugar companies need to appoint change champions for effective strategy implementation.

4.5.5.6 Effect of organizational practices and behaviors on strategy implementation

The question sought to find out the opinion of the respondents on equal opportunity employment or practiced discrimination based on religion, tribe, gender and region.

The study established that 43.2% agreed, 27.9% strongly agreed, 10.8% disagreed while 13.5% were neutral and only 4.5% strongly disagreed as indicated in figure 4.8.

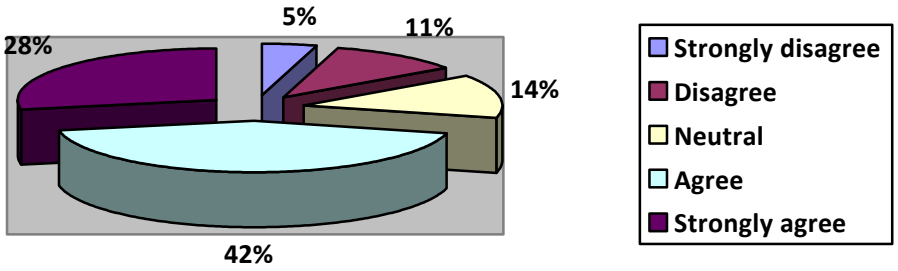


Figure 4.8 Respondents view on the effect of organizational practices such as hiring

These findings are consistent with the study by Matepere (2012), who conducted study on the strategic role of leadership in strategy implementation in Zimbabwe's state owned firms and found that most of the top leaders failed (at 65% of respondents) to formulate and articulate worthwhile vision for chosen strategies and their implementation efforts.

The study also indicated that at least 54% of the respondents were of the opinion that top management used their technical skills to lead strategy implementation. The study revealed that most strategies failed due to the inability of the leaders to make use of their various skills to create awareness and show the strategy implementation roadmap. The study recommended that top management should make use of their technical, human and conceptual skills to create the need for change and enhance strategy implementation.

The study also corroborates the findings by Chiuri (2015) in her study of the challenges of strategy implementation in higher education institutions in Kenya which established that managerial skills are critical in strategy implementation.

This finding means that the management of sugar companies should utilize efficient skills and methods to enable successful strategy implementation. In addition empowerment skills can be an obstacle to strategy implementation. This was a new finding from the study, that giving people freedom or authority to execute strategy can be a serious obstacle.

What workforce really want is management leadership whose competence and concern they can trust (Ziglar, 2003).

Table 4.27: Respondents opinion on managerial skills indicators

Variable indicator	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Median	Mode
Our company has leadership principles that guides the behavior of leaders and employees	5.4%	4.5%	4.5%	58.6%	27.0%	4	4	4
The top management has high levels of integrity and accountability that provides sound leadership in strategy implementation	6.3%	6.3%	9.0%	54.1%	24.3%	4	4	4
Education qualification of employees functions as a strategic resource for understanding strategy implementation	5.4%	3.6%	11.7%	50.5%	28.8%	4	4	4
Our top management is aware of the company strategy	1.8%	.9%	4.5%	65.8%	27.0%	4	4	4
Our middle and lower management is aware of the company's strategy	1.8%	.9%	9.9%	79.3%	8.1%	4	4	4
I have a friend at work and we work as a team in meeting company goals for successful strategy implementation	1.8%	.0%	15.3%	52.3%	30.6%	4	4	4
My immediate supervisor is supportive of my work and achievement of company results	4.5%	4.5%	4.5%	79.3%	7.2%	4	4	4
The level of education of top leadership affects strategy implementation success	2.7%	1.8%	9.0%	41.4%	45.0%	4	4	5
For any strategic change, our company usually appoints a "change champion" to lead strategy implementation	2.7%	6.3%	9.9%	64.9%	16.2%	4	4	4
Top management encourages regular communication & feedback from employees on strategy implementation	16.2%	33.3%	12.6%	32.4%	5.4%	3	3	3
Our company practice is identify and retain talented employees	4.5%	10.8%	13.5%	43.2%	27.9%	4	4	4

4.5.5.6 Qualitative analysis of the managerial skills

The study sought the respondents view on whether managerial skills encourage or hinder strategy implementation. In Figure 4.9, over 71.40% of the respondents indicated that lack of managerial skills can hinder effective strategy implementation in sugar companies in Kenya. Only 29.6% indicated that it does not.

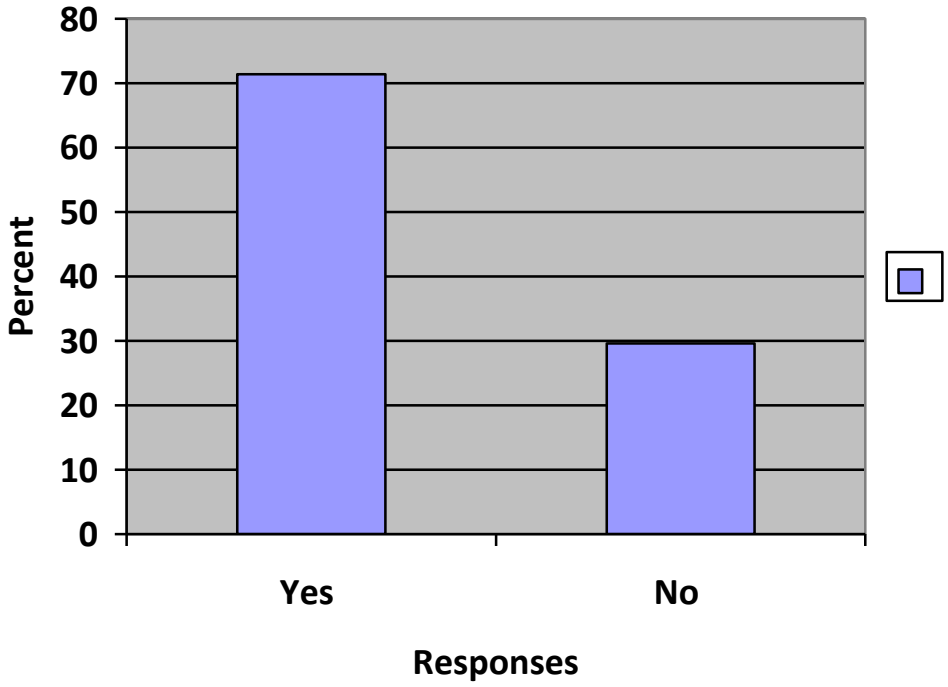


Figure 4.9 Response to whether managerial skills hinder or improve strategy implementation

The study further sought the respondents to list and explains the major themes under managerial skills that hindered or encouraged strategy implementation and the Table 2.28 indicates results.

Table 4.28: Major themes on the managerial skills

Major theme	Frequency	Per cent
Leadership accountability, ethics, vision, change of CEOs	34	30.63
Communication	33	29.73
Education and Training of managers	28	25.23
Feedback and meetings	16	14.41
Total	111	100.0

4.5.6 Descriptive analysis on effect of Quality of Workforce Development

To reach the upper levels of leadership that create elite organizations, leaders must transition from producers to developers (Maxwell, 2013). The fourth of the study was to investigate the quality of workforce development, a variable in the study. Table 4.36 gives a summary of the respondents' opinion in percentage.

4.5.6.1 Effect of training needs assessment and relevance of the Training to strategy implementation

This question sought to determine the training needs assessment, importance and relevance of the training to strategy implantation and it revealed that 64.7% (sum of 22.5% and 42.3%) agreed while 19.8% (sum of 8.1% and 11.7%) disagreed and only 15.3% were in non-committal.

Wario (2011), Musyoka (2011), Chiuri (2015) attest that employee training should be relevant to the needs of the business. Chiuri (2015) in a study of the challenges of strategy implementation in higher education institutions in Kenya revealed found that 42.1% of the respondents had training needs assessment done. Further that higher

education institution train and develop managers in order to unleash their expertise and improve their delivery in implementing strategies and for this reason improve the performance of the organization in strategy implementation.

The finding is equally consistent with that of Omboi and Mucai (2012) who agreed that education and training are dynamic aspects that are driven by the world forces like globalization, lifelong learning and the culture of the people intended for the education and training. The study recommended the need to update personal skills to match the demands at the work place for all the people.

The workforce desires and feels it deserves an opportunity to grow mentally, socially, spiritually, and physically, while sharing in the financial recognition and security rewards that come as a result of their growth and effort as part of the team (Ziglar, 2003).

The Sugar Companies recognize that educating and training its workforce is fundamental to the success of the strategy. A literate workforce is an asset to the Company as it provides qualified personnel and opportunities for developing and disseminating science and technology, as well innovation based solutions to the sugar sector. In Kenya, Vision 2030 relies on the creative talents that can raise the country's international competiveness through enhanced productivity at the micro-and national level. It also helps to address gender imbalances, youth related problem. From the study there was good gender representation in top, middle and lower management, but sugar companies can do better in gender mainstreaming.

The study also finds that Sugar companies should ensure relevant and equitable access to education by developing and operationalizing education policy that addresses basic strategy implementation, on case by case basis or department by department basis since each department has unique strategic human resource needs.

This implies that employee recruitment and selection may pose a challenge to strategy implementation. Based on the study findings, the study concludes that the management of sugar companies should consider teamwork, coaching, recognition and feedback through regular meetings in their strategy execution efforts.

This implies that sugar companies should consider carrying out training needs assessment before implementing new strategies so that workforce development is consistent with the new needs of the organization. Employee training is costly and therefore by carrying out training based on needs, the company saves money, time and human capital.

4.5.6.2 Effect of resource allocation of resources to employee training & strategy implementation

Allocation of adequate resources to employee development is important for strategy implementation. This question sought to find out the opinion of the respondents on resource allocation to workforce development. More than half the respondents were in the affirmative (65.2%) that adequate resources were allocated towards workforce development while also a significant number 22.5% (sum of 3.6% and 18.9%) disagreed with this opinion and therefore implying that there's need for additional resources to be allocated training services which empowers employees. Only 11.7% were in the middle ground.

This finding is corroborated by Wario (2011) who argues that employee empowerment is a key factor in knowledge management success because true empowerment can give employees a sense of ownership in the overall aim of organizational knowledge management.

This finding is also consistent with the findings by Ragui (2013) in a study of the challenges hindering success of tour businesses owned by indigenous entrepreneurs in

the tourism industry in Kenya, found that resources was one of the key challenges in strategy implementation.

This implies that sugar in Kenya need to allocate financial resources to workforce development in order to enhance strategy implementation.

The results concur with the findings by Boxall and Purcell (2003) that human resource advantage can be traced to better people employed in an organization. It also corroborates the finding by Becker, Huselid, Pickus and Spratt (1997) that performance can be achieved with the help of high performance work system which takes into account the factors affecting, individual performance such as recruitment procedures, motivation, training and management development. People are able to perform tasks if they have the right skills required for the job.

4.5.6.3 Employee recruitment and selection, orientation and induction

Training centers were established by sugar companies to support new recruits go through an orientation. The question was asked to find out if the employee go through a formal process of orientation and the findings revealed that 63.1% agreed, 21.6% strongly agreed, 4.5% disagreed and 8.1% strongly disagreed and only 2.7% were undecided.

This finding is corroborated by Pwc (2016) on the Pwc's 19th Annual Global CEO survey of 1409 CEOs world wide and 153 CEOs from Africa indicated that 34% of the African CEOs agreed that workforce diversity and inclusiveness is among the top three priorities for business to help deliver and 35% of the Global CEOs agreed with the same statement, that diversity and inclusiveness is among the top three priorities adding that business step up their contribution to education, training and development.

This implies that employee recruitment and selection may pose a challenge to strategy implementation.

4.7.6.3 Teamwork, regular meetings and strategy implementation

The study wanted to find the respondents view on whether their companies encouraged team work, frequent meetings which facilitate effective and successful strategy implementation. The results in Table 4.23 indicated that majority 54.5% agreed, 13.5% disagreed, 12.6% strongly agreed and 9% strongly disagreed and only 10.8% of the respondents were neutral that teamwork and regular feedback meetings are encouraged in the sugar companies.

This finding corroborates Chiuri (2015) who studied the challenges of strategy implementation in higher education institutions in Kenya and found out that 59.9% of the respondents agreed that their institution encouraged teamwork.

According to McChesney, Covey and Huling (2012), leaders should come up with fresh commitments because the team's execution discipline can always be improved and for fresh ideas to come forth, leaders should committed to train team members, engaging the team for higher performance through a two-way dialogue about the team's performance and soliciting their ideas for making it better, listening and then implementing the team's ideas. This leads to increased engagement of the team members. Recognition and modeling also enables leaders identify top performers and recognize them in front of their peers. According to McChesney et.al (2012) leaders should recruit top performers to coach others.

Toyota is a multinational Company and it has a principle called "kaizen" continuous improvement and part of the managerial behaviours is to hold brief five minutes meeting each morning.

This finding implies that the management of sugar companies should consider teamwork, coaching, recognition and feedback through regular meetings in their strategy execution efforts.

Table 4.29 Respondents opinion of indicators for quality of workforce training

Variable indicator	1.Strongly Disagree	2.Disagree	3. Neutral	4. Agree	5.Strongly Agree	Mean	Median	Mode
Company has a long term strategy for developing employee skills and knowledge	12.6%	6.3%	11.7%	46.8%	22.5%	4	4	4
All new employees in our company undergo some form of orientation and induction	8.1%	4.5%	2.7%	63.1%	21.6%	4	4	4
Management encourages teamwork & holds frequent meetings with employees to explain issues of strategy implementation	9.0%	13.5%	10.8%	54.1%	12.6%	3	4	4
Company puts emphasis in training of the employees on skills necessary for strategy implementation	8.1%	11.7%	15.3%	42.3%	22.5%	4	4	4
Company allocates adequate resources to employee training which is good for strategy implementation	3.6%	18.9%	11.7%	40.5%	25.2%	4	4	4
The company provides awards and incentives to employees who excel in their roles	8.1%	23.4%	8.1%	44.1%	16.2%	3	4	4
Training Needs Assessment (TNA) before actual training	6.3%	17.1%	6.3%	33.3%	36.9%	4	4	5
Company carries job analysis to identify competencies needed for each job	6.3%	20.7%	5.4%	34.2%	33.3%	4	4	4
Employees are retrained whenever new changes emerge in the market place	11.7%	19.8%	.9%	35.1%	32.4%	4	4	4
The company uses professionals to carry out training of its employees	5.4%	6.3%	8.1%	51.4%	28.8%	4	4	4
At the end of each training, the organization carries out training evaluation and feedback	9.0%	7.2%	18.0%	33.3%	32.4%	4	4	4

4.6 Inferential Analysis

In this study the researcher performed inferential analysis to determine the actual implication of the data collected and conclusions drawn on the relationship of the specific variables under study. The correlation matrix table summarized th relationships of the independent variables versus the dependent. Regression analysis was done to establish the statistical significance of the relationship between the independent variables notably, external environment, organizational structure, organizatioanl culture, managerial skills on dependent variable which was strategy implementation. According to Marshall and Rossman (2006), regression analysis is a statistical process of estimating the relationship between variables. Regression analysis helps in generating equation that describes the statistics relationship between variables. The regression analysis results were presented using a scatter plot diagrams, regression model summary tables, Analysis of Variance (ANOVA) table and beta coefficients tables. Each of this is discussed in the following sections of this thesis.

The general objective of this study was to determine the challenges of strategy implementation in sugar companies in Kenya.

4.6.1. Correlation analysis for the effect of independent variables versus strategy implementation

The correlation matrix for the relationships between the five independent variables, namely; external environment, organization culture, organization structure, managerials skills and the quality of workforce development is indicated in Table 4.30.

Table 4.30 Correlation matrix

		Strategy Implementation	External Environment	Organizational Structure	Organization Culture	Managerial Skills	Quality Of Work Force Development
Strategy Implementation	Pearson Correlation	1	.287**	.222*	.305**	.274**	.388**
	Sig. (2-Tailed)		.002	.019	.001	.004	.000
	N	111	111	111	111	111	111
External Environment	Pearson Correlation	.287**	1	.398**	.198*	.231*	.337**
	Sig. (2-Tailed)	.002		.000	.037	.015	.000
	N	111	111	111	111	111	111
Organizational Structure	Pearson Correlation	.222*	.398**	1	.548**	.448**	.515**
	Sig. (2-Tailed)	.019	.000		.000	.000	.000
	N	111	111	111	111	111	111
Organization Culture	Pearson Correlation	.305**	.198*	.548**	1	.739**	.777**
	Sig. (2-Tailed)	.001	.037	.000		.000	.000
	N	111	111	111	111	111	111
Managerial Skills	Pearson Correlation	.274**	.231*	.448**	.739**	1	.680**
	Sig. (2-Tailed)	.004	.015	.000	.000		.000
	N	111	111	111	111	111	111
Quality Of Work Force Development	Pearson Correlation	.388**	.337**	.515**	.777**	.680**	1
	Sig. (2-Tailed)	.000	.000	.000	.000	.000	
	N	111	111	111	111	111	111

****. Correlation is significant at the 0.01 Level (2-Tailed).**

***. Correlation is significant at the 0.05 level (2-tailed).**

From Table 4.30, the findings indicate that the correlation coefficient between external environment and strategy implementation is 0.287 with a p-value of 0.002 for a 5% 2-tail test. Since the p-value is less than 0.05, this shows a positive and significant relationship between external environment and strategy implementation.

The findings indicate that the correlation coefficient between organizational stucture and strategy implementation is 0.222 with a p-value of 0.019 for a 5% 2- tail test. Since the p-value is less than 0.05, this shows a positive and significant association between organization structure and strategy implementation.

Based on the Correlation Matrix, the all the independent variables indicated a positive relationship with the independent variable, however, the higher the correlation coefficient, the higher the association on strategy implementation. Hence, we rank them as below:

1st Quality of workforce development (0.388), 2nd is Organization culture (0.305), 3rd External Environment (0.287), 4th Managerial skills (0.274) and finally, 5th organization structure (0.222).

These findings concur with the finding by Musyoka (2011) in the study of challenges facing strategy implementation in Jomo Kenyatta Foundation which indicated that operating environmental changes present a threat to strategy implementation. Similarly, this study is corroborated by Chiuri (2015) in her study of the challenges of strategy implementation in Higher Educational Institutional in Kenya which found a linear relationship between external enviornment and strategy implementation.

This study contradicts, the findings of Chiuri (2015) in a study of the challenges in strategy implementation in Higher Educational Institutions in Kenya which indicated external environment and culture to be factors with the highest impact on strategy implementation and which institutions of higher learning need to manipulate. This study has established that structure, managerial skills and quality of workforce development are additionally very important in strategy implementation.

The study corroborates the findings of Awino, K'Obonyo, & Imaita, (2009), that organization structure is one of the key factors in strategy implementation. It also confirms the arguments put forward by various scholars about strategy-culture compatibility, external environment, managerial attention and structure alignment to

strategy (Wheelen & Hunger, 2010; Schwenk & Shrader, 1993; Qi, 2010; Pearce & Robinson, 2011; Bossidy & Charan, 2011; McChesney et, al; Mauborgne, 2015).

4.6.2 Regression Analysis for the relationship between independent variables and strategy implementation (dependent variable)

4.6.2.1 Regression analysis for external environment and strategy implementation

Scatter plots in figure 4.5 shows that the distribution of the scatter plots appears to fall along the a line and evenly distributed on either side. There is no skewness to either side which indicates that there is a constant variance. This implies that a straight line can vbe fitted, suggesting that there is a linear relationship between external environment and strategy implementation.

The relationship takes the form of the equation:

$Y=\beta_0+\beta_1 X_1 + \varepsilon$

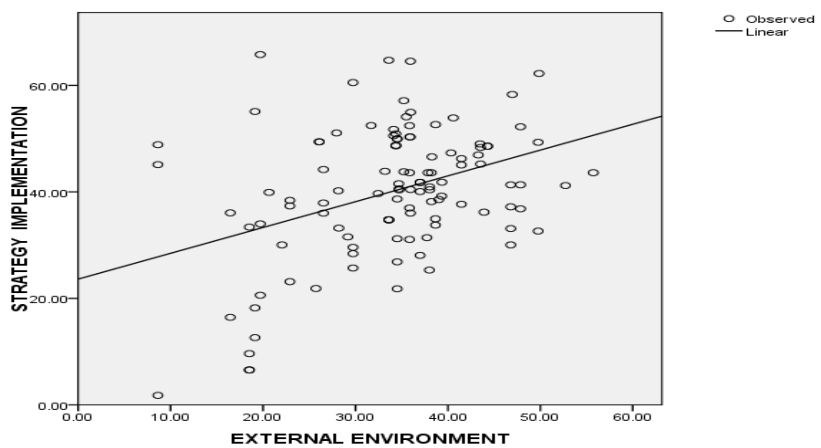


Figure 4.10 Strategy implementation versus external environment

Figure 4.10 illustrates scatter plot diagram of external environment versus strategy implementation. The Figure 4.10 presents that all the points/observations appear in the first quadrate and the line of best of fit indicates an estimate line that is increasingly

positive upwards. It indicates that as the external environment improves, then strategy implementation gets better and vice versa, if the external environment is poor, then there shall be negative strategy implementation. This implies that there is a positive linear relationship between external environment and strategy implementation in the sugar in Kenya.

Table 4.31: Parameter estimates for external environment and strategy implementation

	Pearson Correlation	R Square	F	df1	df2	Constant	b1
Parameter Estimate	.381	.145	18.504	1	109	23.623	.485
Sig.	.000			.000		.000	.000

The ANOVA tests were done on the independent variable and the results obtained in Table 4.25 show that the p-values are equal to 0.000, a demonstration that the regression model is statistically significant considering that the p-value is less than 0.05 at 95% level of confidence.

The Analysis of variance (ANOVA) results therefore confirms that the model fit is appropriate for this data since p-value of 0.000 is less than 0.05. This implies that there is a significant positive relationship between strategy implementation and strategy implementation.

The results further indicate that external environment has a positive and significant effect on strategy implementation (Table 4.31). The fitted model:

Strategy implementation (SI) = 23.623 +0.485*X1. This implies that a unit change in external environment will increase strategy implementation by the rate of 0.485. Even

when external environment is non-existent, strategy implementation is still positive at 23.623 indicating that there are other drivers of strategy implementation including organizational culture, organizational structure, managerial skills and quality of workforce development.

On the other hand the R-Square (coefficient of determination) parameter estimate of 0.145 means that external environment is contributing 14.5% of strategy implementation in sugar companies in Kenya.

This also confirms that the linear model fits the data quite well.

The summary model estimate for external environment is represented as follows:

$$Y=\beta_0+\beta_1 X_1 + \varepsilon$$

Where,

Y is Strategy Implementation.

β_0 = A constant, =23.623

$\beta 1$= 0.485

X_1=External environment,

ε = Error term

Hence: $Y= 23.623+0.485(X_1) + \varepsilon$

Before we interpret the coefficients, we ask ourselves if the coefficients are significant from zero and the answer is yes, because each one of them has a p-value of 0.000. Therefore the coefficient of 0.485 means that a unit changes in external environment will lead to a positive change in strategy implementation at the rate of 0.485.

This implies that you cannot ignore external environment when executing strategy in the sugar companies in Kenya.

4.6.2.2 Regression analysis for the relationship between organizational structure and strategy implementation

The distribution of the scatter plots in figure 4.11 indicates the relationship between organization structure and they appear to fall a line evenly on either side. There is no skewness to either side indicating that there is a constant variance. This means that a straight line can be fitted, suggesting that there was a linear relationship between organization structure and strategy implementation and this relationship can be represented as below:

$$Y=\beta_0+\beta 2\ X2 + \varepsilon$$

Where,

β_0 = A constant, =30.028

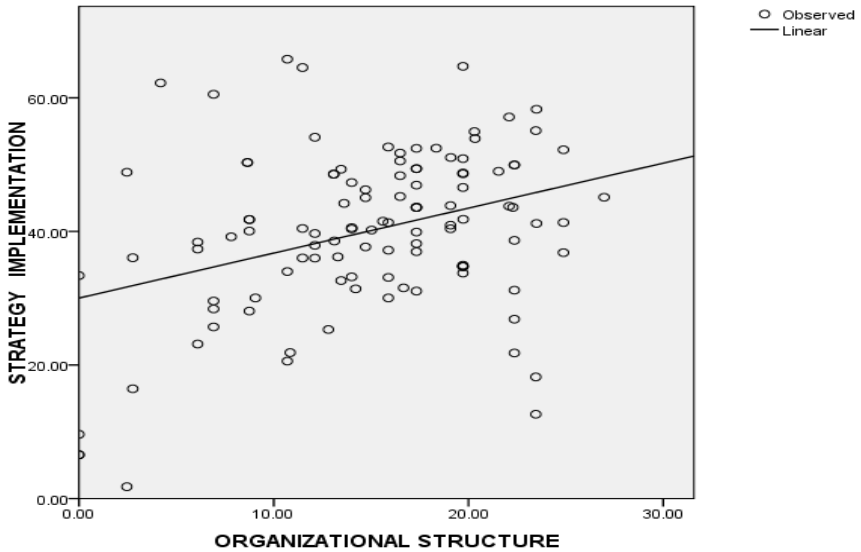
$\beta 2$= 0.673

X2=organizational structure

ε = Error term

Hence: $Y= 30.028 +0.673(X\ 2) + \varepsilon$

Figure 4.11Scatter plots for regression of



org anization structure and strategy implementation

4.6.2.3 Parameter estimates for organizational structure and strategy implementation

Table 4.32 Parameter estimates for relationship between organization structure and strategy implementation

	Pearson Correlation	R Square	F	df1	df2	Constant	b1
Parameter Estimates	.346	.120	14.829	1	109	30.028	.673
Sig.	.000			.000		.000	.000

The ANOVA tests done on the independent variable and the results obtained in Table 4.32 show that the p-values are equal to 0.000, a demonstration that the regression model

is statistically significant considering that the p-value is less than 0.05 at 95% level of confidence.

The Analysis of variance (ANOVA) results therefore confirms that the model fit is appropriate for this data since p-value of 0.000 is less than 0.05. This implies that there is a significant positive relationship organization structure and strategy implementation.

The results further indicate that organization structure has a positive and significant effect on strategy implementation. The fitted model:

Strategy implementation **(SI) = 30.028 +0.673*X3.** This implies that a unit change in managerial skills will increase strategy implementation by the rate of 0.673. Even when organization structure is non-existent, strategy implementation is still positive at 30.028 indicating that there are other drivers of strategy implementation including external environment, organizational culture, quality of workforce development and managerial skills.

Additionally, regression analysis in table 4.26 indicate that managerial skills had a goodness of fit of 8.80% indicating that organizational structure explained 8.80% of the variation in strategy implementation in sugar in Kenya since the R Square is 0.088. The results and findings therefore conclude that there was significant association between managerial skills and strategy implementation.

Further, regression analysis in table 4.34 indicate that organization structure had a goodness of fit of 12.0% indicating that organizational structure explained 12.0% of the variation in strategy implementation in sugar in Kenya since the R Square is 0.12. The results and findings therefore conclude that there was significant association between organization structure and strategy implementation

4.6.2.3 Regression analysis for the relationship between organizational culture and strategy implementation

The distribution of the scatter plots in figure 4.24 indicate the relationship between organization culture and they appear to fall a line evenly on either side. There is no skewness to either side indicating that there is a constant variance. This means that a straight line can be fitted, suggesting that there was a linear relationship between structure and strategy implementation and this relationship can be represented as below:

$$Y=\beta_0+\beta 3\ X3 + \varepsilon$$

Where**,**

β_0 = A constant, =27.472

$\beta 3$= 0.605

X3=organizational structure

ε = Error term

Hence: $Y= 27.472 + 0.605(X3) + \varepsilon$

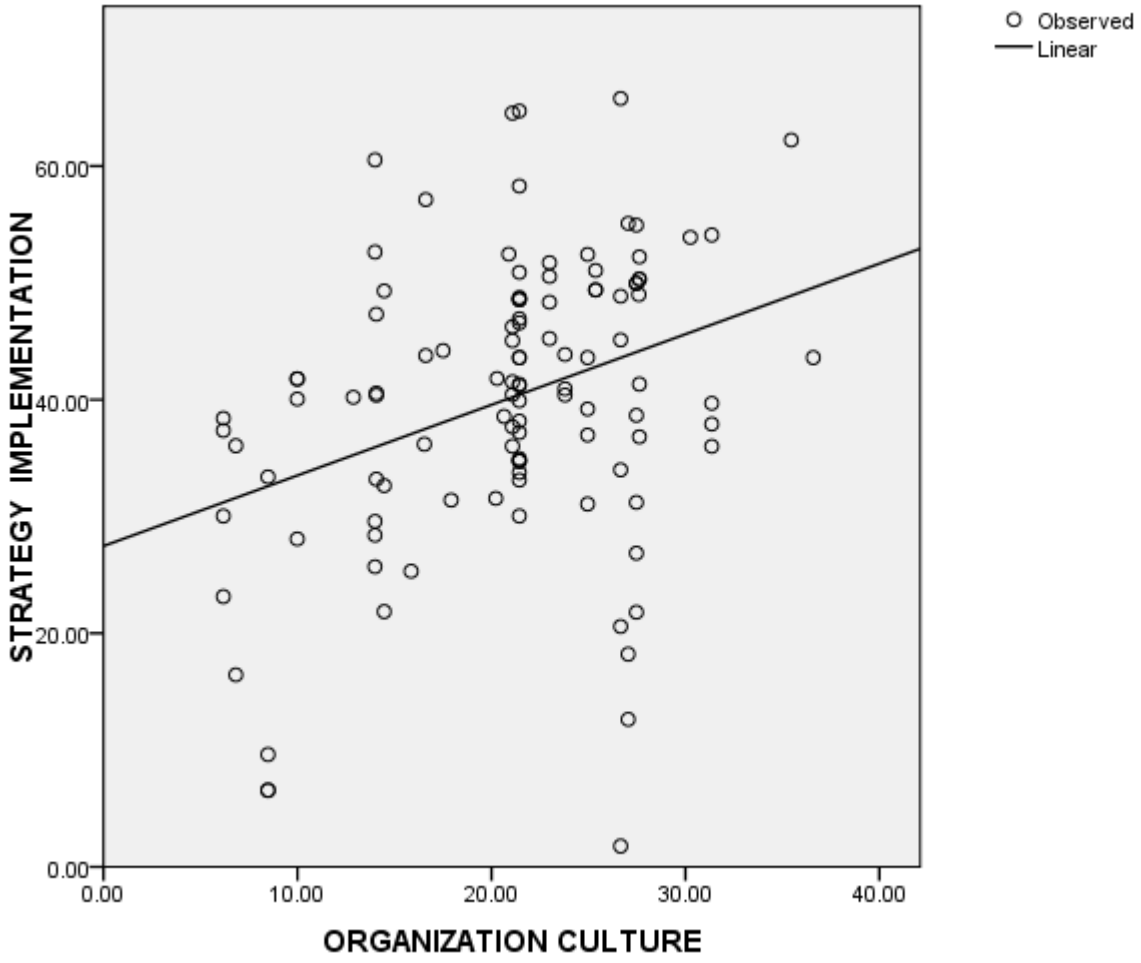


Figure 4.12 Scatter plot for the regression analysis of organizational culture and strategy implementation

The regression analysis as indicated in Table 4.35 shows that the Coefficient determination (RSquare) for organizational culture is 0.113 meaning that the organization culture

Table 4.33: The regression for organization culture and strategy implementation

	Pearson Correlation	R Square	F	df1	df2	Constant	b1
Parameter Estimates	.336	.113	13.842	1	109	27.472	.605
Sig.	.000			.000		.000	.000

The ANOVA tests were done on the independent variable and the results obtained in the same Table 4.33 show that the p-values are equal to 0.000, a demonstration that the regression model is statistically significant considering that the p-value is less than 0.05 at 95% level of confidence.

The Analysis of variance (ANOVA) results therefore confirms that the model fit is appropriate for this data since p-value of 0.000 is less than 0.05. This implies that there is a significant positive relationship between organization culture and strategy implementation.

The results further indicate that organization culture has a positive and significant effect on strategy implementation (Table 4.33). The fitted model:

Strategy implementation (SI) = 27.472 +0.605*X3. This implies that a unit change in organization culture will increase strategy implementation by the rate of 0.605. Even when organization culture is non-existent, strategy implementation is still positive at 27.472 indicating that there are other drivers of strategy implementation including external environment, quality of work force development, organizational structure and managerial skills.

Additionally, regression analysis in table 4.25 indicate that organization culture had a goodness of fit of 11.3% indicating that organizational culture explained 11.3% of the

variation in strategy implementation in sugar in Kenya since the R Square is 0.113. The results and findings therefore conclude that there was significant association between organization culture and strategy implementation

4.6.2.4 Regression analysis for the relationship between organizational culture and strategy implementation

Table 4.34 indicates the parameter estimates for the relationship between managerial skills and strategy implementation.

Table 4.34 Table for the model summary and parameter estimate for the relationship between managerial skills and strategy implementation

	Pearson Correlation	R Square	F	df1	df2	Constant	b1
Parameter Estimates	.296	.088	10.468	1	109	25.085	.647
Sig.	.002			.002		.000	.002

The ANOVA tests were done on the independent variable and the results obtained in the same Table 4.34 show that the p-values are equal to 0.000, a demonstration that the regression model is statistically significant considering that the p-value is less than 0.05 at 95% level of confidence.

The Analysis of variance (ANOVA) results therefore confirms that the model fit is appropriate for this data since p-value of 0.000 is less than 0.05. This implies that there is a significant positive relationship between managerial skills and strategy implementation.

The results further indicate that managerial skills have a positive and significant effect on strategy implementation (Table 4.34). The fitted model:

Strategy implementation (SI) = 25.085 +0.647*X4. This implies that a unit change in managerial skills will increase strategy implementation by the rate of 0.647. Even when quality of workforce development is non-existent, strategy implementation is still positive at 25.085 indicating that there are other drivers of strategy implementation including external environment, organizational culture, organizational structure and managerial skills.

Additionally, regression analysis in table 4.26 indicate that managerial skills had a goodness of fit of 8.80% indicating that organizational structure explained 8.80% of the variation in strategy implementation in sugar in Kenya since the R Square is 0.088. The results and findings therefore conclude that there was significant association between managerial skills and strategy implementation.

4.6.6 Regression Analysis for relationship between quality of workforce development on strategy implementation

H_0: There is no significant relationship between management perception of quality of workforce development and strategy implementation.

Regression analysis was conducted to determine the significance of the relationship of quality of workforce development against strategy implementation. Figure 4.13 illustrates scatter plot diagram of quality of workforce development versus strategy implementation. The Figure 4.13 presents that all the points/ observations appear in the first quadrate and the line of best fit indicates an estimate line that is increasingly positive upwards. This implies that there is a positive linear relationship between quality of workforce development and strategy implementation.

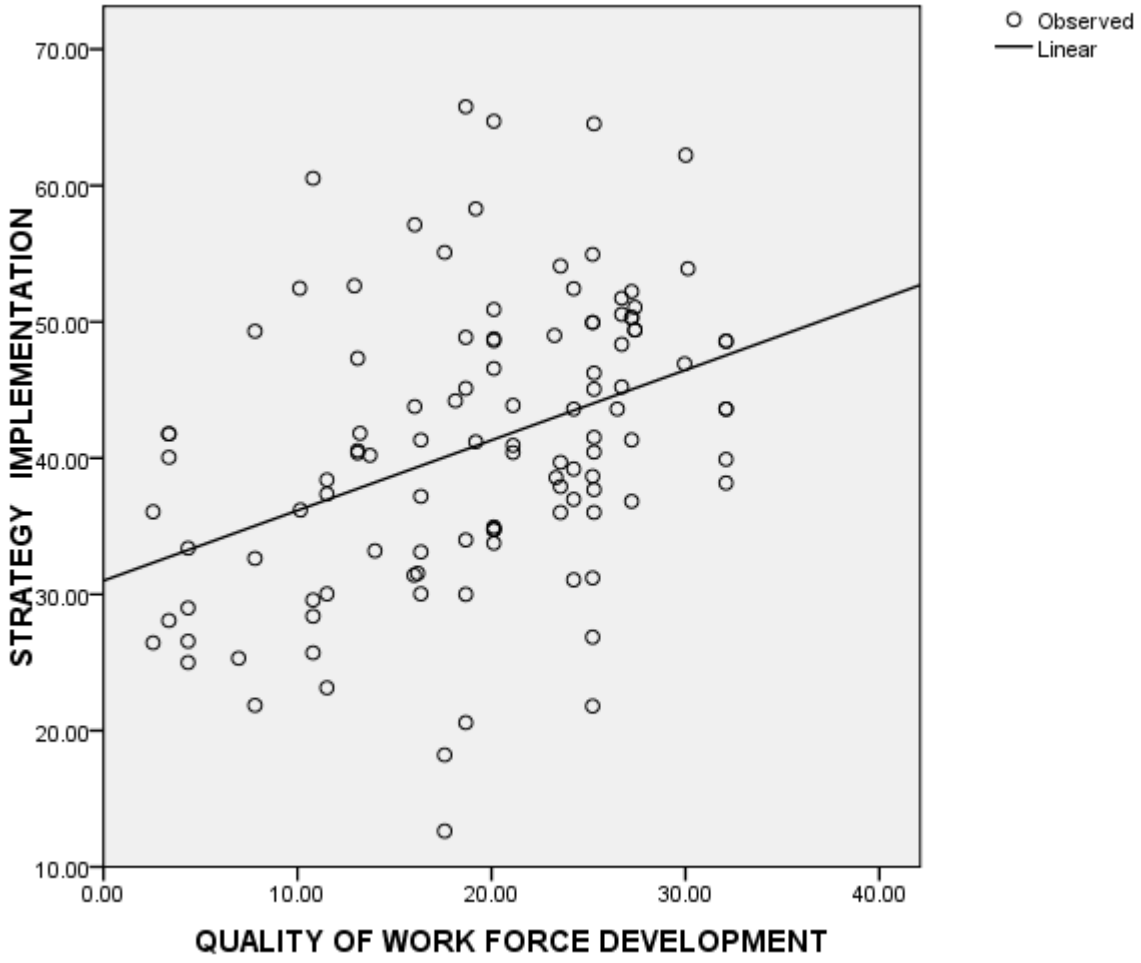


Figure 4.13. Quality of workforce development and strategy implementation

Table 4.35 indicates the model summary and the parameter estimates of the relationship between quality of workforce development and strategy implementation in selected sugar companies in Kenya. The correlation coefficient result is 0.388 while the R Square is 0.15 and the p-value is 0.000, which is less than 0.05, implying that the relationship is significant at 95% level of confidence. This implies that 15% of the variation in strategy implementation is influenced by the quality of workforce development. This means that there exists a positive significant relationship between quality of workforce development and strategy implementation.

Table 4.35 Model Summary and parameter estimates

	Correlation		ANOVA			Model parameters	
	Pearson Correlation	R Square	F	df1	df2	Constant	b1
Parameter Estimate	.388	.150	19.298	1	109	31.006	.515
Sig.	.000			.000		.000	.000

The ANOVA tests were done on the independent variable and the results obtained in the same Table 4.35 show that the p-values are equal to 0.000, a demonstration that the regression model is statistically significant considering that the p-value is less than 0.05 at 95% level of confidence.

The Analysis of variance (ANOVA) results therefore confirms that the model fit is appropriate for this data since p-value of 0.000 is less than 0.05. This implies that there is a significant positive relationship between quality of workforce development and strategy implementation.

The results further indicate that quality of workforce development has a positive and significant effect on strategy implementation (Table 4.33). The fitted model:

Strategy implementation **(SI) = 31.006 +0.515*X4.** This implies that a unit change in quality of workforce development will increase strategy implementation by the rate of 0.515. Even when quality of workforce development is non-existent, strategy implementation is still positive at 31.006 indicating that there are other drivers of strategy implementation including external environment, organizational culture, organizational structure and managerial skills.

Additionally, regression analysis in table 4.34 indicate that quality of workforce development had a goodness of fit of 15.0% indicating that quality of workforce development explained 15.0% of the variation in strategy implementation in sugar in Kenya since the R Square is 0.15. The results and findings therefore conclude that there was significant association between quality of workforce development and strategy implementation.

4.7 Combined Effect Model

4.7.1 Multiple Linear Regression for all Variables

From the onset, the primary objective of the study was to determine the overall management perception of effect of the independent variables (external environment, organizational structure, organizational culture, managerial skills and quality of workforce development) on strategy implementation in selected sugar companies in Kenya. The results presented in Table 4.36 on the Anova for the overall model, indicate that the model was statistically significant in explaining the effect of the independent variables on the strategy implementation in selected sugar companies in Kenya since the p-value is 0.000 which is less than 0.05 at 5% level of significance.

This makes the researcher conclude that the independent variables had a significant combined effect on the management perception of the challenges of strategy implementation of selected sugar companies in Kenya. The model was for the estimation of the contributions of the independent variables on strategy implementation in selected sugar companies in Kenya.

The findings imply that the five independent variables combined have a role in explaining the strategy implementation in selected sugar companies in Kenya. In terms of practice it can be suggested that policy makers can therefore manipulate the operating industry environment, culture, structure, managerial skills as well as the quality of workforce development.

The ANOVA table indicates the summary of the sum of squares and means squares for the overall model.

Table 4.36 The ANOVA[c,d] Table for the overall model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	186874.216	5	31145.703	293.993	.000[a]
	Residual	11123.739	106	105.940		
	Total	197997.954[b]	111			

Goodness of fit of the model

Table 4.37 Fitness test for the overall model

Model	Coefficient
R[a]	0.972
R Square[b]	0.944
Adjusted R Square	0.941
Std Error of the Estimate	10.29273
Durbin Watson	1.845

The goodness of fit of model results are indicated in table 4.37 and it also reaffirms the significance of the model where the R-Square, the Coefficient of Determination is 0.944 which confirms that the model (the selected variables) explain 94.4% of the variations or change in the dependent variable. The adjusted R Square, which is 0.941 is still very close to the coefficient of determination, meaning that the independent variables were well selected. Since the RSquare is 0.944, out of a maximum value of 1, it is a strong

indicator of the relationship between strategy implementation and the independent variables, because an R Square of less than 0.7 is not acceptable, meaning that there was wrong choice of the concept.

The goodness of fit model is represented by:

The model **$Y = \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + \varepsilon$** explained 94.4% of the variations in strategy implementation in selected sugar companies in Kenya as shown in Table 4.35. This showed that external environment, organization structure, organization culture, managerial skills and quality of workforce development explained 94.4% of the variations in strategy implementation. The adjusted R Square did not make a significant difference since the model once adjusted explained 94.10% of the variations while the remaining 5.9% is explained by other factors. The standard error of the estimate was 10.29273.

Regression coefficient analysis of the overall model

The Linear Regression Analysis presented in Table 4.36 indicated the regression coefficients for all the five variables being significant in explaining the relationship between each of the five independent variables in the strategy implementation of selected sugar companies in Kenya. They all recorded a p-value of less than .05.

The interpretation of this is as earlier indicated that the contribution of the five variables was collectively positive. Further it means that a unit change in organizational culture would lead to a positive change in strategy implementation by the rate of 0.982 units, while a unit change in organizational structure will lead to a positive change in strategy implementation by 0.724 units and a unit change in managerial skills will result to a positive change in strategy implementation by 0.717 units. Similarly, a unit change in external environment will result in a positive change in strategy implementation by the rate of 0.356 units, and finally, a unit change in quality of workforce development will result in a positive change in strategy implementation by 0.340 units.

Clearly, the results indicate a positive relationship between the independent and dependent variables, due to the positive *beta coefficients*. The model can be fitted as follows:

$$Y= 0.356\ X_1 + 0.724\ X_2 + 0.982\ X_3 + 0.717\ X_4 + 0.340 X_5$$

Where:

Y= Strategy implementation

X1= External environment

X2= Organizational Structure

X3= Company Culture

X4=Managerial skills

X5= Quality of workforce development

From the results it implies that sugar companies need to manipulate all the five factors that improve on external environment, organization structure, organization culture, managerial skills and quality of workforce development because they all have a positive effect on strategy implementation. The highest effect (considering the *positive beta coefficients*) is witnessed by the culture, structure and managerial skills, closely followed by external environment.

Musyoka (2011) indicated in his study that changes in the macro environment such as political factors, legislation, technology, industry forces, competition and social factors negatively influenced strategy implementation. This study is consistent with this finding. These results are also consistent with the arguments by Mintzberg (1994) that institutionalizing strategy implementation in organizations (public and private) makes them more responsive to the needs and preferences of the stakeholders. The results also resonate with observations by Lepenies (2008), Rose-Ackerman (2008) and Kerandi (2011) that an essential element of effective development policy is the establishment of institutions that are favourable to economic growth. They pointed out that without good

policies and effective institutions, competitive sustainability will not succeed. The scholars concluded that good governance is a major ingredient to economic development.

Table 4.38. The coefficients of the independent variables and the Variance Inflation Factors

	Unstandardized Coefficients[a]		Standardized Coefficients[b]		
Model	**B**	**Std. Error**	**Beta**	**T**	**Sig.**
Organization Culture	.982	.271	.043	3.623	.000
Organizational Structure	.724	.199	.048	3.638	.000
Managerial Skills	.717	.230	.404	3.117	.002
External Environment	.356	.105	.297	3.391	.001
Quality Of Work Force Development	.340	.122	.015	2.787	.006

From Table 4.38, all the unstandardized coefficients for external environment, organizational culture, managerial skills and quality of workforce development are significant at 0.01 level, 2-tailed level of significance since all their p-values are less than 0.01.

The study corroborates the findings of Awino, K'Obonyo, & Imaita, (2009),that organization structure is one of the key factors in strategy implementation. It also confirms the arguments pointed out by various scholars about strategy-culture compatibility, external environment, managerial attention and structure alignment to strategy (Wheelen & Hunger, 2010; Schwenk & Shrader, 1993; Qi, 2010; Pearce & Robinson, 2011; Bossidy & Charan, 2011; McChesney et, al; Mauborgne, 2015).

CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of major findings of this study, key conclusions and recommendations of the study for managerial practice and suggestions for further research. The study sought to examine the challenges of strategy implementation in sugar in Kenya and specifically examined four independent variables (external environment, organizational structure, organization culture, managerial skills) and one dependent variable (strategy implementation) in addition to one variable (quality of workforce training).

5.2 Summary of the Findings

5.2.1 Effect of external environment on strategy implementation in selected sugar companies in Kenya

With respect to external environment, factor analysis was done in order to reduce items to manageable and meaningful size, where all the 18 items met the threshold of 0.4 and above, with the lowest being 0.428 and the highest 0.833. Descriptive statistics were used to analyze this research objective and other subsequent analysis was done. 18.91% of the respondents rated external environment as a challenge to strategy implementation and in terms of specific factors of external environment, 63% agreed that macroeconomic factors of external environment had effect, 64.8% agreed that competition existed in the sugar industry and affected their strategy implementation, 66.6% agreed that unregulated sugar imports affected strategy execution, despite 77% agreeing that the demand for sugar is on an upward trajectory, legislation and especially the Constitution of Kenya, 2010 which devolved Agriculture to the counties was also revealed by 72.9% of the respondents. Political interferences also affected strategy as 81.1% agreed that it did affect their strategy execution.

The Pearson correlation analysis also indicated that there is a positive significant relationship between external environment and strategy implementation. The positive relationship was represented by 0.381 and the number of respondents was 111.

Regression analysis was done where the results indicated that external environment had a goodness of fit of 14.5% indicating that external environment explained 14.5% of the variation in the strategy implementation in sugar companies in Kenya. The results and findings therefore conclude that there was significant association between external environment and strategy implementation in sugar companies in Kenya.

5.2.2 Effect of organization structure on strategy implementation in selected sugar companies in Kenya

Factor analysis was done for organization structure items and all the 11 questions were retained for further analysis as they had factor analysis of 0.4 and above, with the lowest indicator having a factor of 0.529 and the highest 0.844. The results indicated that organizational structure is important in strategy implementation in sugar in Kenya where, 72.9% of the respondents agreed that alignment of structure to the strategy facilitates effective strategy implementation, while 64.8% indicated that the span of control ensures performance measurement for effective strategy implementation and only 18.9% similarly 59.4% of the respondents agreed that each department should have it own unique structure that necessitates strategy implementation, while 27.9% indicate that they do not have regular communication, teamwork meetings to explain and review strategy implementation progress. At the same the respondents disagreed that middle managers are better in strategy implementation as compared to their senior colleagues by 33.3% in disagreement, 42.2% of the respondents agreed that middle managers are better in strategy implementation than their seniors. We have three broad categories of strategy, namely; corporate strategy, business unit strategy and operational strategies.

The correlation analysis also indicated that there is a positive significant relationship between organization structure and strategy implementation. The positive relationship

was represented by 0.346 and the number of respondents was 111. Regression analysis was done where the results indicated that organization structure had a goodness of fit of 12.0% indicating that organizational structure explained 12.0% of the variation in strategy implementation in sugar companies in Kenya. The results and findings therefore conclude that there was significant association between organization structure and strategy implementation.

5.2.3 Effect of organization culture on strategy implementation in selected sugar companies in Kenya.

Strategy-culture compatibility is important when implementing a new strategy, since company culture should support the strategy. In this study, factor analysis was done to filter the company culture items to manageable and meaningful size of 0.4 and above. All the 12 questions were retained for further analysis since the least had a factor of 0.406 and the highest had a factor of 0.914. Descriptive statistics on norms, habits and beliefs revealed that 85.7% of the respondents agreed on their existence while 9.9% disagreed on the existence of an established system of norms and beliefs and certainly behavior in their companies.

The study also found out that 69.5% of the respondents indicated that their companies celebrated key milestones and achievements, while 19.8% were in disagreement and 10.8% neutral. This was an indication that sugar companies should encourage and institutionalize practices that reinforce desired beliefs, norms and habits. The beliefs that influence specific behaviors are more likely to need changing.

In terms of the importance organizational core values such as integrity, leadership principles, accountability in strategy implementation, the study found out that an overwhelming 87.4% agreed, while a small proportion at 9.9% disagreed on the importance of core values that enabled strategy implementation. The culture of innovation and generation of new ideas was found to be agreed by 78.4% of the respondents, 14.4% disagreed and 7.2% were neutral, implying that Sugar companies

need to be innovative while cautious of "innoflation" i.e. carrying out innovation just for the sake of it.

The Pearson correlation coefficient between organiztional culture and strategy implementation was found to be 0.336 with a p-value of 0.000 for a 5% significant level, 2- tail test. Since the p-value is less than 0.05, this shows a positive and significant relationship between organization culture and strategy implementation.

Regression analysis was done where the results indicated that organization culture had a goodness of fit of 16.9% indicating that company culture explained 16.9% of the variation in strategy implementation in selected sugar companies. The results and findings therefore conclude that there was significant association between company culture and strategy implementation.

5.2.4 Effect of managerial skills on strategy implementation in selected sugar companies in Kenya.

Factor analysis was done for managerial skills items and all the 11 questions were retained for further analysis as they had factor analysis of 0.4 and above. The Cronbach's apha coefficient for the 11 indicators under was 0.873. The highest indicator had a factor loading of 0.813 while the lowest had a factor loading of 0.465 and all items retained for further analysis.

The study revealed that 78.4% of the respondents agreed that integrity, accountability at the top management was very important to strategy implementation while, 12.6% of the respondents disagreed and 9.0% of them were noncommittal. Integrity and accountability are important attributes of management which also indicate the degree of corporate governance in institutions. This implied that management in Sugar Companies should consider management integrity, ethical values; the commitment to competence; leadership philosophy and operating style; and the way management assigns authority and responsibility, and organizes and develops its people to achieve outcomes.

The study found out that 82.9% of the employees have a best friend at work. Only 1.8% disagreed that they have a best friend at work. This finding is supported by Gallup, Inc. an American research based global performance-management consulting company founded in 1935 by George Gallup has conducted numerous survey on what they call Q12 questions on performance and key is the idea of having a best friend at work, (Gallup, 2016). Their data shows that close friendship at work correlate with higher profitability, lower accident rates, less inventory loss, higher customer engagement and happier employees. For effective implementation, sugar companies should create opportunities for teamwork, brainstorming and encourage feedback.

An overwhelming 86.4% of the respondents agreed that the level of education of top management affects strategy implementation while only 4.5% disagreed and 9% remaining neutral.

The correlation analysis also indicated that there is a positive significant relationship between managerial skills and strategy implementation. The positive relationship was represented by 0.296 and the number of respondents was 111.

Based on the scatter plots distribution, there was no skewness on either side of the line, indicating that a constant variance in the line of best fit. This meant that a straight line can be fitted, suggesting that there was a linear relationship between managerial skills and strategy implementation. The results of the regression analysis that was done indicated that managerial skills had a goodness of fit of 0.088 indicating that managerial skills explained 8.8% of the variation in the strategy implementation in sugar companies in Kenya. From the findings, the researcher therefore concludes that there was significant association between managerial skills and strategy implementation.

5.2.5 Effect of quality of workforce development on Strategy implementation in selected sugar companies in Kenya.

Factor analysis was done for quality of workforce development and all the 12 questions were retained for further analysis as they had factor analysis of 0.4 and above. The results indicated that training needs assessment, selection of training, employee recruitment, selection, orientation and induction should be considered by management of sugar companies for successful strategy implementation.

Training centers were established by sugar companies to support new recruits go through an orientation. The question was asked to find out if the employee go through a formal process of orientation and the findings revealed that 63.1% agreed, 21.6% strongly agreed, 4.5% disagreed and 8.1% strongly disagreed and only 2.7% were undecided.

This finding is corroborated by Pwc (2016) on the Pwc's 19th Annual Global CEO survey of 1409 CEOs world wide and 153 CEOs from Africa which indicated that 34% of the African CEOs agreed that workforce diversity and inclusiveness is among the top three priorities for business to help deliver and 35% of the Global CEOs agreed with the same statement, that diversity and inclusiveness is among the top three priorities adding that business step up their contribution to education, training and development.

The Sugar Companies recognize that educating and training its workforce is fundamental to the success of the strategy. A literate workforce is an asset to the Company as it provides qualified personnel and opportunities for developing and disseminating science and technology, as well innovation based solutions to the sugar sector. In Kenya, Vision 2030 relies on the creative talents that can raise the country's international competiveness through enhanced productivity at the micro-and national level. It also helps to address gender imbalances, youth related problem. From the study there was good gender representation in top, middle and lower management, but sugar companies can do better in gender mainstreaming.

The study also finds that selected Sugar companies should ensure relevant and equitable access to education by developing and operationalizing education policy that addresses basic strategy implementation, on case by case basis or department by department basis since each department has unique strategic human resource needs.

This implies that employee recruitment and selection may pose a challenge to strategy implementation. Based on the study findings, the study concludes that the management and leaders of sugar companies should consider teamwork, coaching, recognition and feedback through regular meetings in their strategy execution efforts.

The result support the findings by (Salamon, 2002), that tools of the government can directly or indirectly influence the financial performance of organizations (Salamon, 2002).

5.2.6 Optimal framework

From the data collected and analyzed it was concluded that the dependent variable strategy implementation in sugar in Kenya is determined by the external environment, organization structure, company culture, managerial skills and also the quality of workforce development. The study further carried out inferential analysis on each of the independent variables and this led to rejection of all the null hypotheses. Therefore, figure 5.1 presents the optimal model for the relationship between independent variables and dependent variable.

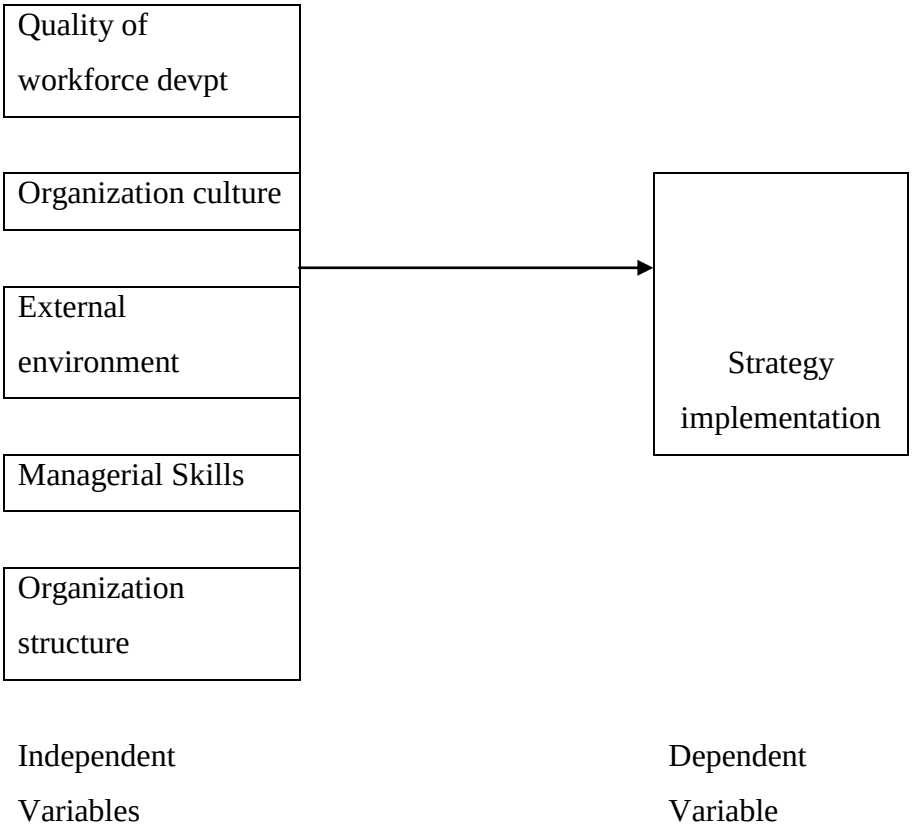


Figure 5.1 Optimal framework

5.3 Conclusion

This study sought to investigate the management perception of the challenges of strategy implementation in selected sugar companies in Kenya. This section provides a highlight of the main conclusions on each of the five independent variables, and the effect of the combined model towards strategy implementation. From the initial preliminary findings, its concluded that whereas over 95% of the respondents agreed that Sugar Companies crafted various strategies, the degree of strategy implementation (various strategies) is in the range of 31% to 50%, this means that the remaining 69% to 50% remains unimplemented and the researcher concludes that increased level of strategy implementation will leverage the competitiveness of the sugar companies. This finding

is corroborated by other empirical studies that reveal that the failure rate of strategies can be as high as 90%, while on average less than of 30% of strategies are implemented.

5.3.1 External environment

External environment poses a great challenge to strategy implementation in sugar companies in Kenya. Competition within the industry, government legislation, political interferences and changes, the trade tariffs such as from COMESA, the bargaining of the suppliers and in particular the farmers who supply sugar cane to the sugar companies, all have influence on the strategy implementation in sugar companies in Kenya. The intense rivalry between the sugar companies moreso with respect to supply of sugarcane from the limited number of farmers also poses challenges to strategy implementation. The study found that the demand of fast maturing and high sucrose content cane is high despite low adoption of these varieties by farmers. To increase adoption, more sensitization on these high yielding varieties is needed. Lack of sugarcane may serious impede the operations of most sugar companies and especially those with huge crushing capacity such as Mumias Sugar Company, unless they move with speed to address cane supply chain from the farmers. At the same time they need to address the poaching of sugar cane.

Kenya is a net importer of sugar from the COMESA countries since the demand outstrips the local production. However, from this study sugar imports affects strategy implementation and sugar companies in Kenya should be conscious of this fact to avoid market glut and pricing wars. Despite increased demand in sugar in the country, competition from other sweeteners could be attributed to people's changing lifestyle in view of increased knowledge on personal health and wellbeing.

The study also concludes that political interference has a serious influence on strategy implementation in sugar companies in Kenya. Board selection and management influences strategy implementation in selected sugar companies in Kenya. The high

turnover of top management and CEOs was seen to be affecting strategy implementation.

The changing environmental factors and particularly weather patterns (commonly known as climate change) implies that sugar companies should adopt climate smart agriculture in addressing the growing of cane. Highly adaptable cane varieties and diversified strategies by both the companies and the farmer should be encouraged.

The Constitution of Kenya, 2010 devolved Agriculture function to the 47 County Governments of Kenya and based on the study, this has influenced strategy implementation in sugar companies and managers need to be cognizant of the dynamics of agriculture implementation at the county level. This has also effect on the privatization of sugar companies by the Privatization Commission, that they must work closely with respective County Governments to avoid conflicts.

The study observed that the current government policy environment is not supportive of private sector led agricultural development, which is emerging in the sugar sector. Multiple and complex laws and regulations have evolved in the agricultural sector, which do not allow for investment in a liberalized economic environment and therefore pose challenges to strategy implementation.

5.3.2 Organization structure

The study aimed at investigating the effect of managerial skills on strategy implementation and based on the findings discussed in chapter four and as summarized in the preceding section the study concludes that there was a linear and significant relationship between organization structure and strategy implementation.

The study concludes that communication is important for effective strategy implementation and the role of middle managers cannot be over emphasized. They are a link between the top management and lower cadre staff. The study also concludes that

for successful strategy implementation, alignment of structure to strategy implementation is critical as mentioned by 72.9% of the respondents.

The study also concludes that while span of control was not seen as a challenge, it is important that each employee clear performance targets and measures with clear strategic reporting and control. The study also concluded that there were inadequate meetings to explain and review progress of strategy implementation in sugar companies. At the same time the study concludes that middle managers play an important role in strategy implementation as compared to top or senior managers. Senior managers should demonstrate their willingness and energy to strategy implementation since strategy implementation is not a top down approach.

The study also concludes that the human, cultural and organization structural integration are key for successful strategy implementation.

5.3.3 Organization/company culture

The study aimed at investigating the effect of organization / company culture on strategy implementation and based on the findings discussed in chapter four and as summarized in the preceding section. The Analysis of Variance indicated that the model was statistically significant in explaining the impact of culture on strategy implementation in selected sugar companies in Kenya and concluded that organization culture has a linear and significant relationship with strategy implementation in selected sugar companies in Kenya. The study found out that the management of sugar companies had embraced core values of integrity and professionalism.

Based on the study successful strategy implementation requires institutionalizing practices that reinforce desired beliefs, norms and habits. The beliefs that influence specific behaviors are more likely to need changing.

The culture of innovation and generation of new ideas was found to be agreed by 78.4% of the respondents, 14.4% disagreed and 7.2% were neutral, implying that Sugar

companies need to be innovative while cautious of “innoflation” i.e. carrying out innovation just for the sake of it.

The study concludes that resistance to change and complacency, poor team work, inadequate employee recognitions and celebration of key milestones negatively affect effective strategy implementation

5.3.4 Managerial skills

The study aimed at investigating the effect of managerial skills on strategy implementation and based on the findings discussed in chapter four and as summarized in the preceding section the study concludes that there was a linear relationship between managerial skills and strategy implementation. The results of the regression analysis done indicated that managerial skills had a goodness of fit of 0.088 indicating that managerial skills explained 8.8% of the variation in the strategy implementation in sugar companies in Kenya. From the findings, the researcher therefore concludes that there was a statistical significant association between managerial skills and strategy implementation in sugar companies in Kenya.

5.3.5 Quality of Workforce development

The study concludes that there is a positive and significant relationship between quality of workforce development and strategy implementation in selected sugar companies in Kenya. implies that weak institutional capacity attributed to deficiencies in determining training needs and in monitoring and evaluating training undertaken, as well as high turn-over of senior personnel (especially the Company Chief Executive Officers of sugar companies), which lead to loss of institutional memory and change of priorities.

The Sugar Companies should recognize that educating and training its workforce is fundamental to the success of the strategy. A literate workforce is an asset to the Company as it provides qualified personnel and opportunities for developing and disseminating information on science and technology, as well as innovation based

solutions to the sugar sector. In Kenya, Vision 2030 relies on the creative talents that can raise the country's international competiveness through enhanced productivity at the micro-and national level. It also helps to address gender imbalances, youth related problem. From the study there was good gender representation in top, middle and lower management, but sugar companies can do better in gender mainstreaming.

The study also finds that Sugar companies should ensure relevant and equitable access to education by developing and operationalizing education policy that addresses basic strategy implementation, on case by case basis or department by department basis since each department has unique strategic human resource needs.

Emphasis should be placed on research and development in the current and uncertain world.

This implies that employee recruitment and selection may pose a challenge to strategy implementation.

5.4 Recommendations

The following recommendations were derived from the results, findings and conclusions of the study.

5.4.1 External environment

Since unregulated sugar imports was another external factor affecting strategy implementation by 77% of the respondents, the Government of Kenya through the Ministry of Agriculture, should regulate such imports as it meets the annual deficit of 200,000MT. The demand for sugar was found by the study to be going up and the study recommend sugar factories to utilize their capacity to optimum to bridge the gap.

The study also recommends that Sugar companies need to consistently adjust their Technologies, Innovations, Management Practices (TIMPS) that enhance

competitiveness. Innovations should not just be “innoflation” but geared to increase efficiency and effectiveness.

The Constitution of Kenya 2010, The 4th Schedule, devolved Agriculture function to the 47 County Governments of Kenya, and based on the study, strategy implementation in sugar companies need to be cognizant of the dynamics of agriculture implementation at the county level. The study recommends that sugar companies need to work closely with the Ministry of Agriculture of the respective County Government. Similarly, the Privatization Commission of Kenya, should work closely with respective County Governments to avoid conflicts when carrying out privatization of sugar mills.

In this regard the study recommends that sugar companies should work closely with respective County Governments to improve rural roads that facilitate transportation of cane and farm inputs.

In terms of government accumulated debts, which run into nearly KShs60 billion shillings, the National Treasury should consider writing off all these debts to the sugar millers. The sugar companies should spill over the benefit to the sugarcane farmers, strategically pay the farmers for cane delivery on time. Sugarcane farmers have nicknamed “Debit Recurred” which appears in their financial statements as “Don’t Repeat” since DR indicates that a farmer has to pay the company for inputs supplied. Sugar cane poaching was also considered to strategy implementation.

The study recommends that sugar companies should not rely on government cash bailouts alone but also endeavor to seek for funding from Development Financial Institutions of the World Bank. Much emphasis to be placed on Research and Development, linkage with other countries such as South Sudan which has a huge sugar industry, benchnmark with Brazil and Indian sugar companies. They should also explore using beet root for sugar production.

The study recommends that Government policies should seek to promote a competitive agricultural sector and sugar companies should develop diversified products and market outlets and reduce “corporatocracy” i.e. political influences in management of public corporations.

5.4.2 Organizational structure

The study recommends the alignment of strategy to structure and alignment of performance contracts to strategic objectives and targets for each department

The study that communication and regular feedback loop with employees on strategy implementation will ensure success. A mechanism that allows and solicits questions and feedback from employees about crafted strategy should be created. The communication should tell employees about the expected changes, why the changes, new tasks, how they will be affected directly and indirectly, new activities and issues of job security.

The study concurs with the procedural justice theory which advocates for fair process and people involvement in both strategy formulations, their involvement creates ownership of the process and the outcomes.

The study also recommends that clear roles and responsibilities should be assigned to all employees during strategy implementation. To avoid “silo mentality”, cross functional relations should be encouraged, for example marketing department and production department, factory and agriculture department, etcetra, since all department are interdependent. This will also minimize power struggles and retrogressive organizational politics.

The study concludes that there was a linear and significant relationship between organization structure and strategy implementation.

The study concludes that communication is important for effective strategy implementation and the role of middle managers cannot be over emphasized. They are a

link between the top management and lower cadre staff. The study also concludes that for successful strategy implementation, alignment of structure to strategy implementation is critical as mentioned by 72.9% of the respondents.

The study also concludes that while span of control was not seen as a challenge, it is important that each employee clear performance targets and measures with clear strategic reporting and control. The study also concluded that there were inadequate meetings to explain and review progress of strategy implementation in sugar companies. At the same time the study concludes that middle managers play an important role in strategy implementation as compared to top or senior managers. Senior managers should demonstrate their willingness and energy to strategy implementation since strategy implementation is not a top down approach.

The study also concludes that the human, cultural and organization structural integration are key for successful strategy implementation.

5.4.3 Organizational culture

The study recommends that sugar companies should encourage and institutionalize practices that reinforce desired beliefs, norms and habits. The beliefs that influence specific behaviors are more likely to need changing for successful strategy implementation.

The study recommends for successful strategy implementation, there should culture strategy compatibility which encourages top-down-bottom-up communication and sharing of ideas between the management and the subordinates. The companies should avoid using the rational approach to strategy implementation which separates strategy formulation from implementation.

Given the dynamic nature of the sugar environment, the study recommends sugar companies to continuously embrace a performance culture coupled with innovation not “innoflation”, as a way of overcoming many challenges of strategy implementation.

More funds should be allocated for innovation and research, and sugar companies should build strategic partnerships with local /international research institutions and Universities.

The study also recommends sugar companies to celebrate achievement of milestones in strategy implementation, celebrate employee birthdays, and recognize highly achieving employees.

The study recommends sugar companies to embrace change management approaches when developing and implementing strategies. For example the ADKAR model of change which implies, creating awareness, then desire, then knowledge, Achievement and reinforcement of change, may be quite useful.

The researcher recommends that efforts should be made by the top management of sugar companies to attract and retain customers (especially the farmers) through improved customer care, timely payment of delivered cane, crop diversification (using corporate social responsibility opportunities), provision of soft loans and elimination of "DR" .

5.4.4 Managerial skills

Vertical and horizontal linkages should not breed bureaucracy but rather increase information flow, enhance communication and decision making by both management and their direct reports. Since monitoring and reporting was one of the factors identified, it therefore means that with the right structures, reporting, monitoring, assessment and appraisal will be improved. The researcher proposes that the management of sugar companies should develops a matrix of affiliation, which is an important tool to ensure effective division of work between various sector stakeholders with regard to resourcing and implementation of agreed departmental priorities and resourcing for coordination effort (human, financial and technology such use of intranet web-based communication). This will ensure ownership and sustainability of strategies.

The management should also ensure that their organizations have strong internal strategy monitoring and control environment which will inform policies and procedures. The control environment and control activities should on a regular basis be evaluated by internal audit department to provide management with the assurance on the adequacy and effectiveness of mitigation controls that management has put in place.

The study recommends that top management of sugar companies develop policies deficient of policies that bar friendship, conversations and employee interactions and sharing of ideas. The work environment should be relaxing and have opportunities for open sharing of information, brainstorming and dialogue.

The top management of Sugar companies and especially the CEOs should believe in a skilled, educated, and adaptable workforce is among the top three priorities for business to help deliver. They need to attract and retain highly skilled and competent workforce.

5.4.5 Quality of workforce development

Based on the findings, the study recommends that the management of sugar companies should consider teamwork, coaching, employee recognition and feedback through regular meetings in their strategy execution efforts. Training should be needs based and aimed at building core competencies that facilitate strategy implementation. More resources should be allocated to employee development and a long strategic human resource development plan is important and should be supported with adequate financing.

Further on capacity building, from the findings, nearly a third of managers had a Diploma level of education and therefore the study recommends capacity building of all supervisors to improve their managerial and supervisory skills, particularly in strategy implementation. Speculand (2014) found out that most managers are trained to craft strategies but not to implement strategies.

5.5 Contribution of the Study to the Body of Knowledge, Theory and Practice

This study makes significant contribution to the body of knowledge, theory and practice. First and foremost, the methodology used in this study enabled derivation of more valuable and broader conclusions because it involved administering questionnaires to a wide section of top, middle and senior managers in three different sugar companies in Kenya, which is an emerging economy. This increased the generalization of the results. As compared to strategy formulation, strategy implementation has often received little scholarly research attention and this study has uncovered factors that enhance strategy implementation. This is also true for the testing of various relationships, i.e. external environment, organizational structure, organizational culture and managerial skills.

Detailed indicators such as the effect of devolution of agriculture to the county governments as per the Constitution of Kenya, 2010 have been brought out by this study. The changing consumer lifestyles which leads to reduced consumption of white table sugar and instead use honey and sugarless tea has been also been brought by this study. Previous studies have associated sugar and tea leaves as complementary goods.

In addition, the study brought out auxiliary factors that enhance strategy implementation where the quality of workforce development was brought out clearly. Recent studies ignored to study the management perception on effect of quality of workforce development, looking at core competencies, appointment of change champions, long term development strategy for effective strategy implementation. These research gaps have been addressed in this thesis.

This research gap has been addressed in this thesis by administering questionnaires at the individual level over and above quantitative analysis.

The study has established that the main challenges of strategy implementation are managerial skills, organization structure, organization culture, external environment which includes government policies and legislation.

5.5.1 Implications of the Study to Practice

The results and findings of this research suggest that the management of sugar in Kenya to be cognizant of the external environmental challenges within the operating environment. In order to avoid losing their eyes on the prize, they have to continuously monitor and scan the various factors of the external environment and incorporate them into strategy implementation, maximizing on emerging opportunities and minimizing threats. Managers need to be proactive and agile.

The results also suggest that the management of sugar should align their structures to support strategy implementation. Vertical and horizontal linkages should not breed bureaucracy but rather increase information flow, enhance communication and decision making by both management and their direct reports. Since reporting was one of the factors identified, it therefore means that with the right structures, reporting, monitoring, assessment and appraisal will be improved.

The researcher also proposes that the management of sugar develops a matrix of affiliation, which is an important tool to ensure effective division of work between various sector stakeholders with regard to resourcing and implementation of agreed departmental *priorities* and resourcing for coordination effort (human, financial and technology such use of intranet web-based communication). This will ensure ownership and sustainability of strategies.

The results also examined the quality of workforce development as a variable and therefore suggests managers should always carry training needs assessment during change management which if well done will ensure that training is needs based and resources used for the right purpose. With the right training, timely awareness meetings on new strategies, development of integration teams and change champions, the company will minimize resistance to change. Resistance to change is common when employees are not adequately informed and updated. Toyota's Kaizen model of continuous improvement is a good model.

5.5.2 Theoretical Implications

This study has made several important contributions to strategy implementation and its challenges. First, this study confirms existing literature in terms of the positive effect of external environment and strategy implementation, confirming that organizations must be cognizant of the external factors which are usually beyond their control. Three key processes are important, i.e. strategy, people and operations. Scholarly research has clearly examined the link between external environment and strategy implementation. This study has contributed to the procedural Justice theory which articulates employee involvement in both strategy formulation and implementation. That the outcome of a process is as important as the process itself. This study has enhanced McKinsey 7S framework, Bourgoius strategy implementation framework, the Procedural Justice theory of "fair process", as well as other related studies on challenges of strategy implementation in other sectors not the agricultural sector.

5.5.3 New Knowledge

Although many studies have been carried out in the strategy implementation, this study has established that strategy implementation in sugar companies rides largely on external environmental (PESTEL) factors, managerial skills, organization structure, organization culture and most importantly the quality of workforce development.

5.6 Areas for Further Research

This study has made significant contribution as it highlights a few aspects to be considered by future researchers. Firstly, the propositions put forward in this study emphasize the importance of regular external environmental monitoring and scanning, aligning structure to strategy, and developing a culture that supports strategy implementation as well as equipping employees with skills based on the needs of or that fit the strategic change. The study focused on selected sugar companies in Kenya, registered by the Ministry of Agriculture, the Sugar Directorate under AFFA. Those selected were Mumias Sugar Company limited, Nzoia Sugar Company Limited and

South Nyanza Sugar Company. This means that if the five challenges of strategy implementation are addressed, the sugar companies may experience profitability, high capacity utilization, reduced government cash bail outs, increased farmer satisfaction and reduced reliance on sugar imports into the Kenyan market.

Subsequent studies should consider replicating this study to other agro-based companies in Kenya in order to establish the challenges of strategy implementation in view of the on-going external environmental dynamics such as climate change, globalization, and changes in the operating industry. Secondly, future research may attempt to replicate the study in different economies to confirm the effect of organization culture, organizational structure, managerial skills and quality of workforce development in strategy implementation in sugar companies.

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APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION

MOSES OSIA MWANJE, (PHD STUDENT)

JKUAT-CBD CAMPUS, NAIROBI,

20TH MAY 2015.

Dear Sir/Madam,

Dear respondent,

REF: QUESTIONNAIRE

I am a PhD student Business Administration at JKUAT. One of the requirements of the award of the degree would be to write a dissertation in an area of my studies. I would be very grateful for your assistance in giving me sincere feedback on the questionnaire attached.

I have chosen the sugar industry in my study and the topic of my study is **"The challenges of strategy implementation in the selected sugar companies in Kenya".**

The research is purely for academic purposes and all the information will be held confidentially.

Please note that it will be optional to identify yourself.

Thank you in advance.

Moses Osia Mwanje,

STUDENT REG. NO. HD433-C003/0979/2011

APPENDIX 2: QUESTIONNAIRE

SECTION 1: PERSONAL INFORMATION

1. Please indicate your gender (1) Male (2) Female

2. What is the name of your department? 1. Finance 2. Human Resource 3. Factory 4. Agriculture 5. Communication 6. Operations 7. Director 8. Transport 9. Marketing

3. What is your position in the company? 1. Top Management 2. Middle management 3. Lower Management 4. Other

4. For how long have you worked for this company? (Please circle one) 1. Less than 2 years. 2. 3-5 Years 3. 6-10 years. 4. 11-15 years. 5. 16-20 years 6. More than 20 years.

5. What is your highest level of education? 1. Certificate 2. Diploma. 3. 1st Degree. 4. Masters 5. Post Graduate 6. Other (Specify).

6. What is age bracket? (Please circle one) 1. 20- 25years 2. 26 – 30 years, 3. 30-40 years 4. 41 – 50 years

5. More than 51 Years

7. Which year was your company established?

8. Does your company carry out strategic planning and Implementation, either as corporate or business unit? 1- Yes; 2-No

9. How long has your organization done strategic planning? (Years). 1. Less than 1 year 2. 2-3 years. 3. 3-5 Years. 4. 6-10 Years. 5. More than 10 Years.

10. What time horizons do your plans normally cover? (Please circle one). 1. Less than 1 year 2. 2-3 years. 3. 3-5 Years. 4. 6-10 Years. 5. More than 10 Years.

SECTION 2: STRATEGY IMPLEMENTATION

To what extent do you agree or disagree with the following statements with regards with strategy implementation in your company where 1= Strongly disagree, 2= Disagree, 3=Neutral, 4= Agree, 5.= Strongly agree

Statement	**1**	**2**	**3**	**4**	**5**
1. Our vision statement are clear and is displayed in posters or other forms and all employees know why we exist in business and where we want to go in future					
2.Our mission statement are clear and is displayed in posters or other forms and all employees know why we exist in business and where we want to go					
3. Our strategy is well communicated to all employees of the firm					
4. There is no resistance to change of strategy in our company					
5. Our firm develops periodic implementation plans to achieve the goals and objectives set					
6. Our firm prepares short term plans and targets and allocates enough resources to implement the strategy					
7. Our firm is able to achieve most of the annual objectives and targets set.					
8. Resources are available for carrying out tasks effectively					
9. Our firm has resources to attract and retain qualified employees.					

10. We encounter problems with strategy implementation in your firm.					
11. The business units participate in the annual evaluation of the firm's performance					
12. The current strategies being pursued will achieve desired results of the firm					
13. The employees are committed to the strategic plans developed					
14. The board is committed to the strategic plans developed					
15. Each business unit is versed with the competition in the industry					
16. We know what our competitors are doing to increase market place					
17. Our company analyzes systems and operations processes to identify where to avoid costs by eliminating non-value adding activities					
18. Our company analyzes who its customers are and knows what customers want					
19. Our firm has the ability to anticipate surprises, threats and opportunities					

20. The management encourage continuous research to improve products and services.					

21. In the space below, please state <u>any five</u> factors that you consider hinder effective strategy implementation in your company.

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SECTION 3: CHALLENGES OF STRATEGY IMPLEMENTATION

Now I would like to give us your opinion on challenges of strategy implementation from the perspective of your company. This part has five sections only.

A: EXTERNAL ENVIRONMENT

The external environment of an organizational refers to factors outside the organization that affects its ability to function. Organizations should be prepared to overcome the challenges of the external environment by making necessary adjustments such as on competition, economy, public opinion and customers.

To what extent do you agree or disagree with the statements below about your external environment. Where; 1. Strongly disagree 2. Disagree 3. Undecided 4. Agree 5. Strongly agree

Statement	**1**	**2**	**3**	**4**	**5**
1. Our company utilizes environmental scanning during planning process					
2. Our company has a formal process for external environmental scanning					
3. Our firm consider competitors as important market players and sources of information and opportunities for cooperation are explored					
4. Our competitors are a great threat to our future					
5. The actions of our competitors have made us change our					

strategy in the last five years					
6. There is a lot of political interference in the sugar sector which makes us adjust our strategies					
7. The industry forces change very fast and they influence they way we implement our strategic initiatives					
8. The cost of doing business in Kenya always forces us to adjust our costs					
9. The devolution of agriculture to the county governments as the constitution of Kenya 2010, the 4th Schedule and it has influenced our strategy implementation					
10. The bargaining of our suppliers (farmers) influenced our strategic initiatives					
11. The entry of cheap sugar into the Kenyan market has influenced our change of strategy implementation					
12. The demand for sugar is rising and cannot be met by domestic production					
13. The rate of change of the sugar industry environment in Kenya since 2010 to date is very fast					
14. Our company has adopted new technologies in production and operations					

15. The increasing usage of sugar from other sources other than cane (i.e. honey, stevia) is influencing our strategic initiatives					
16. Economic factors like inflation, exchange rates, economic growth has significant influence on our strategy implementation					
17. Corruption and demand for bribes has on the implementation of our strategic initiatives					
18. Unregulated sugar imports by Government agencies has forced us to recast our strategy					

List and explain external environment challenges to strategy implementation in your organizations

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SECTION B: ORGANIZATIONAL STRUCTURE

Organizational structure refers to how authority and responsibility for decision making are distributed. Usually we have top, middle and lower management and each level performs distinct role to meet the goals of the organization. Top management makes judgment about how to organize subunits and the extent to which authority will be decentralized. Although the current competitive environment is conducive to strong decentralization, top managers usually retain authority over operation that can be performed more economically centrally because of economies of scale.

Indicate by a tick, the extent to which you agree or disagree with the following statements on your company's organizational structure.

Statement	**1**	**2**	**3**	**4**	**5**
1. Our organization has linked its structure to strategy					
2. All employees of our company including those at the lower level are aware of the goals of the company					
3. The middle managers are better in strategy implementation as compared to senior managers					
4. All the departments of the company should be allowed to develop their own unique reporting structures to enable strategy implementation					
5. Each department should an officer in charge of strategy development and implementation					
6. We hold frequent meetings (atleast weekly) to review strategy implementation progress					

7. Within the company, each company holding a position of authority is responsible for a few subordinates only which ensure performance measurement for effective strategy implementation					
8. In our company upward and downward feedback between the top management and lower level employees is effective and hence facilitates strategy implementation					
9. Our organizational structure is too bureaucratic to facilitate strategy implementation					
10. Decision-making is mainly done by top management and managers must consult in most cases					

11. List and explain <u>any five</u> organization structural factors that in your opinion hinder or improve strategy implementation in your company

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SECTION C: ORGANIZATIONAL CULTURE

Organization culture is termed as the way we do things here. Culture includes the norms, values, working language, symbols, vision and systems, habits and beliefs that are identified with the specific organization. The culture of the organization affects the way people and people interact with each other, with clients and with stakeholders within which it operates.

With respect to organizational culture, state your opinion on the following statements, the extent that you agree or disagree with it where:

1. Strongly disagree, 2. Disagree, 3. Neutral, 4. Agree, 5. Strongly Agree

Statement	**1**	**2**	**3**	**4**	**5**
1.Our company has well developed norms, beliefs and habits					
2. Our company has developed leadership principles that enable strategy implementation					
3. Employees of the company are encouraged to practice core values of the company which enable strategy implementation					
4. Our employees uphold professionalism and integrity in carrying out their activities					
5. Our internal policies and procedures are important in enabling strategy implementation					
6. All company official documents must have symbols such the company logo, company vision and mission and slogan					

7. Our company handles change with a sense of urgency					
8. Our internal culture has always supported successful strategy implementation					
9. Our company welcomes new ideas and innovations that ensures strategy implementation					
10. Our company traditionally celebrates milestones such as anniversary days, farewell parties, end of year recognition achievements, retiring employees among others.					
11. Our firm has incentives and reward systems based on meeting strict, usually qualitative targets					
12. Our company is an equal opportunity employer and does not practice any form of discrimination such as based on gender, ethnicity, religion, race, region, marital status.					

List and explain <u>any four</u> organization culture factors that in your opinion hinder or improve strategy implementation in your company

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SECTION D: MANAGERIAL SKILLS

Management skills basically include technical skills, conceptual skills and human skills. Good managers and leaders should regularly provide motivation to their teams and encourage them to achieve excellence and quality performance, while continuously improving standards and production. Below are statements on managerial skills. Please indicate by tick your opinion on each statement

Statement	**1**	**2**	**3**	**4**	**5**
1. Our company has leadership principles that guides the behavior of leaders and employees					
2. The top management has high levels of integrity and accountability that provides sound leadership in strategy implementation					
2. Education qualification of employees functions as a strategic resource for understanding strategy implementation					
3. Our top management is aware of the company strategy					
4. Our middle and lower management is aware of the company's strategy					
5. I have a friend at work and we work as a team in meeting company goals for successful strategy implementation					
6. My immediate supervisor is supportive of my work and achievement of company results					
7. The level of education of top leadership affects strategy					

implementation success					
8. For any strategic change, our company usually appoints a "change champion" to lead strategy implementation					
9. Our top management encourages communication and regular feedback from employees on strategy implementation					

List and explain <u>any four</u> managerial skills that hinder or improve strategy implementation in your company

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SECTION E: QUALITY WORKFORCE DEVELOPMENT

Statement	**1**	**2**	**3**	**4**	**5**
1.Our company has a long term plan for developing employee skills and knowledge					
2. All new employees in our company undergo some form of orientation and induction					
3. The management holds frequent meetings with employees to explain issues of strategy implementation					
4. The company puts emphasis in training of the employees on skills necessary for strategy implementation					
5. Our company allocates adequate resources in employee training which is good for strategy implementation					
6. The company provides awards and incentives to employees who excel in their roles					
7. Our company carries out Training needs assessment before actual training					
8. Our company carries job analysis to identify competencies needed for each job					
9. Our employees are retrained whenever new changes emerge in the market place					
10. The company uses professionals to carry out training of					

its employees					
11. At the end of each training, the organization carries out training evaluation and feedback					

List and explain <u>any five</u> quality of workforce development factors that in your opinion hinder or improve strategy implementation in your company

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Thank you for taking time to fill this questionnaire. We assure you that the information you have provided will be treated with utmost confidentiality and strictly for the academic purpose intended only.

END

APPENDIX 3: Interview Guide

This interview guide is concerned with the in-depth assessment of the management perception on challenges of strategy implementation in selected sugar companies in KENYA

1. Strategy Implementation.

Do you develop strategies in your company? If so, please give examples of strategies that you currently have crafted and are being implemented.

What are the major challenges of strategy implementation in your company?

2. External environment:

What external factors affect strategy implementation in your company? Please list and explain them.

3. Organization structure:

Is your organization structure a challenge to strategy implementation in your company?

If so, explain the extent to which your organization structure is a hindrance or supports the implementation of strategies in your company

4. Managerial skills:

What are the challenges that are related to management or leadership that you think hinder or enhance strategy implementation?

5. Workforce development:

Do you carry out staff development and how does it either support or hinder strategy implementation?

6. What do you recommend to be done to improve strategy implementation in your company?

APPENDIX 4: Total Annual Sugar production, consumption, imports and exports; 2010-2014 (Metric Tonnes)

Year	Production	Consumption	Imports	Exports
2010	523,652	772,731	258,578	47
2011	490,210	783,660	139,076	16,716
2012	493,937	794,844	238,589	434
2013	600,179	841,957	238,046	104
2014	592,668	860,084	192,121	356

Source: Ministry of Agriculture, AFFA, Sugar Directorate (2015)

APPENDIX 5: Expected sugar productions vis-à-vis actual sugar production per annum

Factory	**Production (Tonnes)**			**Maximum cane requirement**		**Expected Sugar (T)**
	2012	2013	2014	rated crushing capacity (TCD)	Cane crushing assuming 300 days (T)	
Nzoia	66,884	60,350	66,462	3,000	900,000	90,000
Mumias	179,497	164,215	117,966	8,400	2,520,000	252,000
West Kenya	49,565	84,046	73,696	3,500	1,050,000	105,000
Butali	42,671	42,763	56,853	1,500	450,000	45,000
Soin	2,048	2,076	634	150	45,000	4,500
Muhoroni	31,684	28,891	38,864	2,200	660,000	66,000
Chemelil	16,107	22,461	37,720	2,500	750,000	75,000
Kibos	19,528	49,696	39,415	2,000	600,000	60,000
Miwani	N/A	N/A	N/A	N/A	N/A	N/A
South Nyanza	51,984	67,442	60,028	2,500	750,000	75,000
Sukari Industries	17,199	35,113	42,143	1,500	450,000	45,000
Transmara	16,770	43,126	58,887	2,700	810,000	81,000
Kwale International	_	_	_	3,500	1,050,000	105,000
Total	493,937	600,179	592,668	33,450	10,035,000	1,003,500

Source: Ministry of Agriculture, AFFA, Sugar Directorate (2015).